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Algeria.....5.50	Denmark.....1.50	France.....1.50	Germany.....1.50	Italy.....1.50	Japan.....1.50	Norway.....1.50	Sweden.....1.50	Switzerland.....1.50	U.S. & Canada.....1.50	U.K. & Ireland.....1.50	West Germany.....1.50	Yugoslavia.....1.50
Austria.....1.50	Belgium.....1.50	Canada.....1.50	China.....1.50	Czechoslovakia.....1.50	Denmark.....1.50	Egypt.....1.50	Finland.....1.50	Greece.....1.50	Hong Kong.....1.50	India.....1.50	Israel.....1.50	Italy.....1.50
Lebanon.....1.50	Libya.....1.50	Mexico.....1.50	Netherlands.....1.50	Poland.....1.50	Portugal.....1.50	Qatar.....1.50	Romania.....1.50	Saudi Arabia.....1.50	Singapore.....1.50	Soviet Union.....1.50	Taiwan.....1.50	Turkey.....1.50
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## Reagan Promises More Cuts, Forecasts a 'Slow' Recovery

By Steven R. Weisman  
*New York Times Service*

WASHINGTON — President Reagan cautioned Wednesday night that economic recovery "is going to be slow" and said that the federal deficit would have been much lower if Congress had approved all his proposed budget cuts last year and this year.

At his 12th televised news conference, Mr. Reagan also made some of his harshest comments yet about government spending as he vowed that he was going to come back again to seek more spending cuts.

"I'm not through with cutting spending," he said. "In 1984 I'm going to aim at more."

The president once more called for approval of a constitutional amendment requiring a balanced federal budget. Then he denied with some asperity that he had been "hypocritical" in advocating it at a time when his own deficit projections were at record levels.

"I don't feel self-conscious at all," Mr. Reagan said, his voice rising. "What we're trying to do is turn around the policy of government that has built this into the system," he added, referring to the deficits.

Then he asked listeners to demand of Democrats: "Why don't you just give us what we asked for? You give it to us now."

Mr. Reagan appeared relaxed as he answered questions. He used several occasions to cite facts and figures about what he saw as signs of an economic recovery.

For example, the president said that the rate on short-term Treas-

## President Says Habib Did Not Set Deadline

By John M. Goshko and David Hoffman  
*Washington Post Service*

WASHINGTON — President Reagan, responding to Israel's contention that the United States is seeking to break the deadlock over Palestinian guerrillas in West Beirut by Friday, said Wednesday night that no deadlines have been set.

At a news conference, the president appeared to be stepping away from Israeli Prime Minister Menachem Begin's statement that the U.S. special envoy in the Middle East, Philip C. Habib, has promised to seek "an unequivocal commitment" from the Palestinians by Friday that they will leave West Beirut.

Mr. Reagan did not refer directly to Mr. Begin's assertion Wednesday in Jerusalem. While discussing Mr. Habib's efforts, he said, "Contrary to some reports or rumors today, there are no deadlines that have been set of any kind."

"There's nothing we would like more than to see an end to the bloodshed and the shelling," Mr. Reagan said in reference to cease-fire violations in recent days. "We still stay with our original purpose, that we want the exodus of the armed PLO out of Beirut and out of Lebanon."

Despite the fact that negotiations over the PLO's departure have dragged on for six weeks, Mr. Reagan said, "I still remain optimistic that the solution is going to be found."

"I don't comment on specifics because I know how sensitive these negotiations are," the president said. "So I can't go beyond that except to say that unless and until Ambassador Habib would tell me that there's nothing more to be negotiated and he can't solve it, I'm going to continue to be optimistic."

Questions about Lebanon dominated the foreign policy aspects of the news conference, but Mr. Reagan also touched on several other international issues.

Mr. Reagan said he had "no second thoughts" about his decision to attempt to deny U.S. technology to Western European firms supplying equipment for the Soviet natural gas pipeline to Western Europe.

The president was asked whether his action was inconsistent with U.S. grain sales to the Soviet Union. He responded that, in seeking ways of influencing Moscow to ease repression in Poland, the United States would hurt the Soviet Union more by declaring the pipeline sanctions than it could by reimposing a U.S. grain embargo.

"The technology for the pipeline is mainly only obtainable from the United States. Grain the Soviet Union can get in other places if they want it. So we wouldn't be achieving very much if we had used that as it was used back a couple of years ago.... It didn't hurt the Soviet Union, but it was a terrible economic blow to our farmers."

He also contended "that grain will result in the Soviet Union having to pay out hard cash, and they're not too flush with that right now. The pipeline, when finished, will result in the Soviet Union..."

(Continued on Page 2, Col. 1)



A young Lebanese leftist carried a rocket-propelled grenade launcher Thursday as he rode behind his brother in Beirut.

## PLO Reported To Set Terms For Pullout

Compiled by Our Staff From Dispatches

JEDDAH — Palestinian guerrillas trapped in Beirut by Israeli forces have agreed in principle to leave the city, Chadi Klibi, the secretary-general of the Arab League, declared Thursday.

Mr. Klibi said the Palestine Liberation Organization has decided to move its forces out of Beirut, after defining certain guarantees. He did not reveal the guerrillas' destination.

In Beirut, a truce between Israel and the Palestine Liberation Organization took hold Thursday after seven days of Israeli air, land and sea bombardments.

And at the United Nations, France and Egypt introduced a joint resolution in the Security Council to halt the conflict in Lebanon and to secure the withdrawal of all non-Lebanese forces.

In Jeddah, Mr. Klibi told reporters that the PLO also was to obtain guarantees from the Lebanese government of the security of an estimated 500,000 Palestinian refugees living in Lebanon.

Mr. Klibi spoke to reporters after winding up a two-day meeting of an Arab League foreign ministers committee here.

The six-man Arab League committee, which includes Lebanese and Palestinian leaders, said in a statement: "The Palestine Liberation Organization will announce its decision to move its armed forces from Beirut and will define guarantees for this withdrawal and for the security of [Palestinian refugee] camps by agreement with the Lebanese government."

The statement said there was full agreement on this issue by all committee members, which also included Saudi Arabia, Syria, Algeria and Kuwait. But it did not say when talks between the PLO and the Lebanese government would begin.

The group, which has been trying to find ways to resolve the conflict in Lebanon, said it adopted a six-point plan which also called for an Israeli withdrawal from Lebanon and lifting the siege of Beirut.

The plan proposes that an international force should take part in guaranteeing the security of the Lebanese capital and its suburbs.

It said Lebanese authorities should take measures to safeguard the security and safety of the population of Beirut and its suburbs, including Palestinian camps.

The committee pledged the support of Arab countries for efforts to implement two UN Security Council resolutions passed last month calling for an Israeli pullout from Lebanon.

The statement said Arab states were determined to continue attempts to halt "the Zionist aggression against the Lebanese territory."

Conference sources said the foreign ministers' committee also debated efforts by the U.S. special envoy in the Middle East, Philip C. Habib, to persuade Arab countries to accept the trapped PLO guerrillas, whose withdrawal from Lebanon has been demanded by Israel.

But the statement made no reference to Mr. Habib, who met with Lebanese leaders Thursday to discuss proposals for a withdrawal of PLO forces from Beirut.

Mr. Arafat, who met earlier Thursday with former Premier Saeb Salam of Lebanon, said he was waiting to hear details of Mr. Habib's withdrawal plan.

Asked about Mr. Habib's reported promise to Prime Minister Menachem Begin of Israel to let Israel know by Friday whether the PLO would leave Beirut peacefully, Mr. Arafat said, "I did not receive any official proposals from Mr. Habib."

Before meeting with Mr. Arafat, Mr. Salam noted that the PLO had repeatedly said it wanted to leave Beirut peacefully, but added: "It has to be arranged where to go, how to go, and [it must be] tied up with the international force committee."

(Continued on Page 2, Col. 3)

## Reagan-Gandhi Talks 'Friendly'; French Nuclear Deal Is Confirmed

By Don Oberdorfer  
*Washington Post Service*

WASHINGTON — President Reagan and Prime Minister Indira Gandhi of India sought to repair in advance the relations of the world's two largest democratic countries in a round of meetings Thursday.

White House officials said the "friendly, relaxed, informal and constructive" discussions did not solve all problems between the United States and India but resulted in improved appreciation of each other's point of view.

As the specific centerpiece of the meetings, the U.S. administration announced settlement of the long-standing dispute over nuclear fuel for the U.S.-supplied reactor at Tarapur. The agreement calls for future fuel to be supplied by France while the international safeguards continue.

According to a White House briefing, Mrs. Gandhi expressed warmest wishes for the U.S. weapons supplied to Pakistan under a \$3.2-billion program could be turned against India.

Mr. Reagan, the White House aide said, assured the prime minister that the weapons, which may include F-16 combat planes, would be used "for defensive purposes only." He said the arms were designed to meet the threat of 100,000 Soviet troops in Afghanistan, Pakistan's western neighbor.

The president and other senior U.S. officials "took as a given" India's close relationship with the Soviet Union and made no comment on this subject "in a critical sense," according to the briefing.

In remarks at the White House welcoming ceremony, Mrs. Gandhi sought to explain her country's position of nonalignment to a U.S. administration that has intensified East-West confrontation.

"Our hand of friendship is stretched out to all," she declared. "One friendship does not come in the way of another. This is not a new stance; that has been my policy since I became prime minister in 1966."

Mr. Reagan and other officials are well aware of Mrs. Gandhi's plan to visit Moscow in September, a journey that will balance in symbolic terms the current visit to Washington.

U.S. officials said that Mrs. Gandhi was assured of continuing U.S. support for multilateral development bank leading to India and of other efforts to strengthen Indian economic development. But no figures were given, and there was no indication of specific commitments to back up this general pledge.

Mr. Reagan, welcoming his visitor in an outdoor ceremony, declared that "India and the United States are bound together by the strongest, most sacred tie of all, the practice of democratic freedoms denied to many peoples by their governments."

He made a point of mentioning that "we both desire the peace and stability of the Indian Ocean area and the early end of the occupation of Afghanistan," but did not describe the differences between the two countries about how to advance those aims.

**Art Exhibition Planned**

NEW YORK (NYT) — Mrs. Gandhi announced Wednesday that a major exhibition of Indian art was being organized at the Metropolitan Museum of Art with the cooperation of the Indian government and would be shown at the museum from late September, 1983, through December.

In exchange, the museum will organize and send to India an exhibition of American art drawn from its own collections.



President Reagan presided Thursday at the White House ceremony welcoming Prime Minister Indira Gandhi of India.

## NATO Experts Say Chances Grow Of Israeli Assault on West Beirut

By Drew Middleton  
*New York Times Service*

NEW YORK — The belief that Israel, disregarding criticism at home and abroad, will fire of diplomatic negotiation and move on Palestine Liberation Organization positions in West Beirut is growing among military experts in Washington and other NATO capitals.

Israeli military sources and Western military analysts believe that the operation will be launched against PLO strongholds in the western sector of the Lebanese capital with the maximum force directed on one area of the city. The operation is expected to be deliberate, methodical and geared to saving lives — those of Palestinian civilians as well as Israeli soldiers.

Israeli officers do not appear to see the need to precede the infantry assault with an intense preparatory bombardment of prolonged artillery barrages or shelling by Israeli gunboats. This would increase civilian casualties and, from the purely military viewpoint, would create rubble and craters through which the infantry would have to pick its way under fire.

The rule books have been rewritten since the British assault on Caen in Normandy in July, 1944, when one of the heaviest bombing raids in history leveled the city and impeded the progress of the British in pursuit of the retreating Germans. Modern doctrine calls for a preliminary softening-up period followed by methodical tank and infantry penetration.

Mine fields and short-range anti-tank missiles are the chief Palestinian assets. They are known to have an abundant supply of Soviet-made mines and to have set many booby traps. They also are reported to have hundreds of anti-tank missiles.

Israeli officers expect the guerrillas in a last-ditch stand to modify the urban warfare tactics they followed in Tyre and Sidon. In those battles the advancing Israelis soon learned that the PLO normally fortified the fifth floor of every major building.

The PLO defeats in those two coastal cities, one Israeli said, probably taught them that in any further city fighting, a screen of anti-tank missiles beyond the mine field will be their best chance.

Israel's advantage lies in its possession of many tanks, including their own Merkava. This tank, heavily armored, can carry a squad of infantry and appears to be suited for the sort of urban fighting the Israelis expect. But it is vulnerable to their possession of detailed intelligence of the PLO positions. Much of this was reportedly gathered by Israeli intelligence before the campaign began. Since then, Lebanese informants are said to have supplied much more data.

One U.S. analyst said he expected As Saïqa, the guerrilla group chiefly composed of and led by Syrians, and the men of the more leftist branches of the PLO to fight to the end. Other guerrillas, he said, were less likely to do so, especially those who have their wives and families with them.

The consensus among Western analysts is that the Israelis' task will be eased by their possession of

## Calvi Scandal Punctures Vatican Bank Secrecy

By Paul Lewis  
*New York Times Service*

ROME — The apparent suicide of an Italian financier known in some circles as "God's banker," found hanged beneath London's Blackfriars Bridge last month, has made more mysterious a major Italian financial scandal in which the Vatican appears heavily involved.

The cost to the Roman Catholic Church could amount to several hundred million dollars.

Centering on about \$1.4 billion in dubious loans by Banco Ambrosiano, Italy's largest privately owned banking group, the investigation has sent shock waves through the world of international finance and raised questions about efforts to regulate the foreign operations of multinational banks.

It also has strained Italy's relations with the Vatican. Under pressure from the Italian government and concerned church leaders, Pope John Paul II ordered an unusual outside investigation into the Vatican's finances by three Roman Catholic lay bankers, but the Italian government is asking the Vatican to accept a measure of financial responsibility, too.

The Bank of Italy first became suspicious of Banco Ambrosiano in 1978 during a general crackdown on bank fraud, but immediately ran into a heavy political opposition.

Paulo Baffi, then the governor of the central bank, was arrested and eased out of his job. Mario Sarcinelli, the central bank's chief bank regulator, was imprisoned for a while, but now has reclaimed a place in the government as the chief civil servant in the Finance Ministry, helping to coordinate Treasury and central bank policies.

It was Mr. Baffi's successor, Carlo Ciampi, who finally succeeded in bringing the Ambrosiano scandal out into the open in a triumph for the Bank of Italy's political independence.

The apparent suicide was Roberto Calvi, 61. He had joined Milan's Banco Ambrosiano as a clerk, worked his way up to become its president and, along the way, transformed what had been a modest regional bank into a major financial power with 1981 assets of \$18.7 billion.

Mr. Calvi, who was appealing a four-year jail sentence for illegal currency dealings, disappeared from his Rome apartment June 10 after failing to block an inquiry by the Italian central bank into some \$1.4 billion in loans that banks he controlled had made to obscure, largely Panamanian, companies.

Five days after he vanished, his secretary jumped to her death from a window of the Milan bank. Mr. Calvi's body was found in London on June 18.

The financial panic caused by news of Mr. Calvi's death and the Bank of Italy's investigation provoked the collapse of his financial empire. When depositors rushed to withdraw their funds, Banco Ambrosiano had to be bailed out by a consortium of six major Italian banks.

Earlier this month, Banco Ambrosiano Holdings, a Luxembourg subsidiary two-thirds owned by Banco Ambrosiano — defaulting on about \$400 million in foreign loans. It is in receivership.

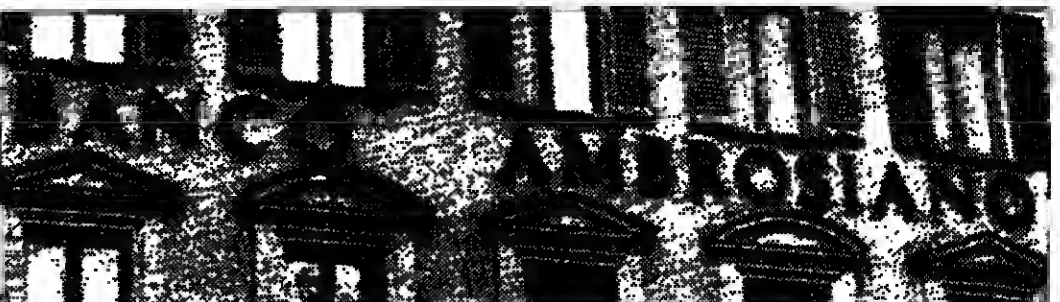
Last week, banking authorities in the Bahamas suspended for 30 days the license of Ambrosiano's Bahamas operation, Banco Ambrosiano Overseas Ltd., in order to "restore satisfactory liquidity to its operations," the Bahamian central bank said.

"The Ambrosiano affair makes everyone wonder about the Vatican's finances, but it really illustrates the fragility of the international banking system that we are all trying to preserve," said Guido Carli, a former governor of the Bank of Italy and now a prominent industrialist.

Earlier this year, Carlo de Benedetti, head of Olivetti and one of Italy's leading businessmen, bought a significant stake in Banco Ambrosiano but sold it within months, saying he was appalled by what he found.

According to senior investigators who do not wish to be identified, the Banco Ambrosiano affair centers on the relationship between Mr. Calvi and Archbishop Paul C. Marcinkus, a 60-year-old Polish priest.

(Continued on Page 3, Col. 1)



Italy's investigation into the Banco Ambrosiano centers on a close but ambiguous relationship between Roberto Calvi, left, an apparent suicide, and Archbishop Paul C. Marcinkus, right, an American who for a decade has headed the Vatican's bank.

## U.S. House Votes to Bar Spending On Nuclear Arms Banned by SALT

By Judith Miller  
*New York Times Service*

WASHINGTON — The House of Representatives has voted to bar funds for the development, testing, procurement or operation of any nuclear weapon that would undercut the first and second strategic arms limitation agreements with the Soviet Union.

The measure was introduced by Rep. Les Aspin, Democrat of Wisconsin, as an amendment to the \$177.1-billion defense authorization bill for the 1983 fiscal year. It was accepted by the chairman and ranking Republican on the House Armed Services Committee, and was approved Wednesday by voice vote without debate.

The amendment is likely to be strongly opposed by the White House.

The measure is important symbolically, because it reflects congressional support for the basic outlines of the strategic treaties that have been criticized as flawed and inadequate by the Reagan administration.

While many military analysts say that the SALT-2 treaty signed by President Jimmy Carter could not win the two-thirds approval required for Senate consent to ratification, many Democrats and moderate Republicans also appear unwilling to abandon the limitations the treaty contains.

The measure would bar funds for weapons that "contravene existing strategic arms policies of the United States," including the two SALT treaties, unless the president certified to Congress that his actions were in the "supreme national interest" and explained why.

President Reagan said May 31 that the United States would not undercut either of the two treaties. However, administration officials have been opposing efforts in the House and the Senate to formalize that commitment.

The defense bill approved in May by the Senate does not contain a similar funding ban. After final action is taken, the House and Senate will meet to resolve differences in their versions of the bill.

**White House Opposition**

One administration official, surprised by the House Armed Services Committee's acquiescence to the amendment, said that the White House would attempt to get the measure defeated when the House and Senate meet in conference.

The Reagan administration opposes formal congressional endorsement of SALT-2, which President Carter signed but asked the Senate not to consider following the Soviet intervention in Afghanistan.

Officials argue that such an endorsement would undermine the administration's strategic arms negotiations under way in Geneva. Mr. Reagan has put forth an arms control plan, known as START,

### INSIDE

■ South African arms were supplied by defense force members for the failed coup attempt in the Seychelles. Prime Minister P.W. Botha confirmed those reports as Michael Hoare, the mercenary leader, was sentenced to 10 years in jail for his role in the airliner hijacking after the coup attempt. Page 2.

■ International Harvester, forecasting a fiscal 1982 loss of as much as \$1 billion, disclosed a sweeping retrenchment plan. Page 11.

■ Vladimir Horowitz is not only the last of his kind; in the history of piano playing he could very well be the only one of his kind, and when he goes, there will be nobody to succeed him. A look at Horowitz and other virtuosos is in Weekend. Page 7W.

### W. Europeans Prepare Reply to Pipeline Ban

*The Associated Press*

BRUSSELS — Officials from four West European nations met Thursday to discuss ways of opposing a U.S. effort to ban European firms from using American technology in the building of a natural gas pipeline from the Soviet Union, it was reported.

A European Economic Community source said West German, British, Italian and French officials were studying a report detailing objections to the U.S. action.



# Syria, With Assertive Stance in Bekaa, Signals Israel It Can't Be Overlooked

By David B. Ottaway

Washington Post Service

JERUSALEM — Amid the deadlocked negotiations over the withdrawal of Palestinian guerrillas from West Beirut, Syria has dramatically signaled Israel that it is still a political and military power to be reckoned with in Lebanon.

The appearance of Soviet-made SAM-8 missiles in Syrian-controlled areas of Lebanon's eastern Bekaa Valley, and Syria's threat to use "all types of weapons" to make the Israelis suffer, are not being taken lightly here.

Israeli combat planes destroyed three batteries of the highly mobile and sophisticated SAM-8s north of the Beirut-Damascus highway on Sunday, and the government again stressed its determination to prevent Syria from introducing any missiles into Lebanon.

Israeli radio said the Cabinet heard intelligence reports Monday that reportedly con-

cluded that Syria was acting primarily to stake its claim to the Bekaa and to defend its own territory from a possible Israeli strike. The

## NEWS ANALYSIS

consensus was, it said, that Syria was not planning an offensive campaign and that all-out war could be averted.

Earlier, an Israeli official said Israel had no intention of or interest in fighting Syria and that it expected Damascus to respect the ceasefire and help halt Palestinian guerrillas from infiltrating through Syrian-controlled areas of the Bekaa.

Israeli analysts believe Syrian President Hafez al-Assad has seized upon the issue of a new haven for the Palestinian guerrillas to inject himself into the Beirut negotiations as a

prelude to taking part in any forthcoming U.S.-sponsored Middle East peace talks.

One analyst said the main Syrian message of last week's fighting in the Bekaa was that there would be no solution to the Beirut crisis without the approval of Damascus.

The fact that Syria moved the surface-to-air missiles into the Bekaa is being interpreted in Jerusalem as an unexpected hardening in Syrian policy that could not have been undertaken without explicit Soviet support.

In Beirut, the Christian radio station reported Sunday that Syria was bringing reinforcements into the Bekaa.

Israeli concern has been mounting about the infiltration of Palestinian guerrillas from Syrian-controlled areas behind Israeli lines.

This has raised the question of whether there could ever be an enduring settlement of the guerrilla presence in Lebanon without a prior Syrian-Israeli agreement.

In recent weeks, Syria has been signaling Israel that it is well within its capabilities to unleash a war of attrition against the Israeli Army in southern Lebanon, using the Palestinian guerrillas as its proxies.

Israeli military sources say there are thousands of guerrillas behind Syrian lines. Some were there before the invasion began and others fled there to escape the initial Israeli blitz through southern Lebanon.

The Israeli Army says 39 Israeli soldiers and PLO guerrillas have died in 75 incidents in the Bekaa since the first cease-fire began June 11.

To all appearances, Syria has every intention of continuing to use the Palestinian guerrilla presence in Lebanon to help it force Israel and the United States to deal with it as a regional power.

But there is more at stake for Syria than politics. The Bekaa Valley is strategically Syria's "soft underbelly," the corridor leading

not only to Damascus but to the rich agricultural and industrial areas around Homs at the northern end of the valley.

Israeli analysts say Mr. Assad has committed about one-half of his 225,000-man army to holding the Bekaa. And an Israeli Army communiqué last week said the Syrians are building fortifications in the Bekaa "at a feverish pitch."

The Israeli invaders seized a strip of the Damascus highway from Beirut to the outskirts of Solar, more than halfway to the Bekaa. But they were unable to push through Syrian defenses to take control of this road link.

Mr. Assad's commitment of so large a part of his army to the Bekaa is all the more striking since it has no effective air or missile coverage.

But it illustrates his determination to hold

on to at least part of the Bekaa and to maintain a presence in Lebanon.

Together with the talk of a possible U.S. dialogue with the Palestine Liberation Organization, Syria's new assertiveness has made the Israelis increasingly nervous.

But whatever military or political course the government of Prime Minister Menachem Begin decides on in the Lebanon crisis, Israel and Syria are going to have to deal with each other.

There is already a school of thought here that the two will agree to a trade-off in which Israel will recognize Syria's vital security interests in the Bekaa and Syria will agree to recognize Israel's in southern Lebanon.

This trade-off, one Israeli analyst suggested, might even involve Syria's concession of the strategic Golan Heights to Israel, which has already annexed the area, and an acquiescence by Israel to Syria's de facto annexation of the northern Bekaa.

## Watt Says He Regrets Linking His Policies to U.S. Support of Israel

By Dale Russakoff

Washington Post Service

WASHINGTON — Interior Secretary James G. Watt has admitted that he made a mistake in warning Ambassador Moshe Arens of Israel that U.S. relations with Israel could be jeopardized if American Jews opposed Mr. Watt's energy policies.

Mr. Watt, who earlier said he was proud of his letter to Mr. Arens, told a private gathering of officials of the Anti-Defamation League of B'nai B'rith in New York Wednesday that he regretted writing it and that Jews in the United States had "every right to be upset" about it, according to leaders of the league who attended the session.

Kenneth J. Bialkin, the group's national chairman, said, "He spoke with great sincerity and in good faith and we consider the matter closed."

Hours after the meeting, President Reagan reaffirmed his confidence in Mr. Watt for the second time in three days. Mr. Reagan said at a news conference, "He shouldn't be fired."

The rapprochement in New York and the firm endorsement in Washington followed several days of attacks on Mr. Watt, culminating in calls for his resignation because of the June 17 letter and a second letter to Democratic members of Congress.

Both letters made statements that the White House termed inconsistent with administration policy.

Jewish leaders accused Mr. Watt of making "veiled threats" in the letter to Mr. Arens, and denounced him for appealing to a foreign ambassador for American Jewish support.

The letter cautioned that the

United States may be unable to remain "the strong protector and friend of Israel that we are and want to be" if Jewish liberals opposed Mr. Watt's aggressive energy development programs.

Prominent Democrats called for Mr. Watt's resignation, and a group of Senate Democrats introduced a resolution denouncing the letter.

Democratic congressmen also attacked Mr. Watt over another letter to House and Senate critics of Mr. Watt's offshore drilling program warning that the United States might have to go to war in the Middle East if Mr. Reagan's energy policies are not enacted.

## Letters Explained

In his news conference, Mr. Reagan explained that what Mr. Watt intended to say in the Arens letter was that the United States is vulnerable to another oil embargo because of its dependence on foreign energy sources.

Under an embargo, "we wouldn't be much of an ally to our friends, and that would certainly include Israel," Mr. Reagan interpreted the letter as saying.

Mr. Reagan said the letter to the congressmen intended to ask, "Where would the Western world be if someday our source of supply was purely there in the Persian Gulf and it was denied to us?"

Mr. Watt's meeting with the Anti-Defamation League was scheduled six weeks ago at his request, well before the Arens letter became public, according to league officials.

Mr. Watt wanted to promote his controversial program to offer 1 billion acres (400 million hectares) of coastal waters for oil and gas development in the next five years, the leaders said.

## Experts Say Chances Grow Of Israeli Assault on Beirut

(Continued from Page 1)

able to attack, especially by gasoline bombs thrown from above.

The final test for these and other Israeli tanks would be the Soviet 130mm guns scattered around West Beirut. There is no accurate information on their number, but they are powerful enough to check the most powerful tank.

The tactics envisaged by Israeli commanders for the assault on West Beirut translate into a protracted operation. The political advantage is that the operation could be halted any time the guerrillas surrendered. The military disadvantage is that such tactics take a long time and, inevitably, entail casualties.

## Israeli Colonel Is Discharged

TEL AVIV (NYT) — An Israeli commander who told his superiors last week that he was opposed as a

matter of conscience to any invasion of West Beirut said Wednesday he had been discharged from the armed forces.

The officer, Col. Eli Geva, had asked to be relieved of his armored brigade command but to stay with his men as a member of the ranks. He said he had received no reply to this request, but had been told by his superiors that the chief of staff, Lt. Gen. Rafael Eitan, had ordered his discharge. Military authorities made no statement.

Col. Geva, 32, had led his brigade in the armored thrust to the periphery of Beirut but later argued that an onslaught against the city itself would cost many Israeli and Arab lives and would not destroy the PLO.

Prime Minister Menachem Begin, who has described Col. Geva as a hero of the 1973 war, failed in an attempt last week to dissuade the young officer from resigning.

## PLO Accord On Pullout Is Reported

(Continued from Page 1)

ing in. All that has to be scheduled. That's not in their hands."

The leftist newspaper *As Safir* said that Mr. Habib, who returned Wednesday from a tour of Syria, Egypt, Israel, Britain and Italy, had proposed that the PLO withdraw first to Syria and then move in other Arab countries.

Lebanese government sources quoted Mr. Habib as saying that Syria, Egypt, Jordan and Iraq had agreed in principle to take in the guerrillas.

During the seven days that Mr. Habib was absent from Lebanon, Israel inflicted its most serious bombardment on West Beirut since it invaded Lebanon almost eight weeks ago.

Mr. Habib hastily arranged a new cease-fire after returning Wednesday night. Explosions were heard in Beirut during the early afternoon Thursday, but for the most part the city remained calm.

In Jerusalem, Israel accused the PLO of breaking the cease-fire, but said its own soldiers were under strict orders to hold their fire.

A military spokesman said Palestinian guerrillas in the Lebanese capital fired artillery shells on Israeli positions near Beirut's international airport.

A firm Palestinian commitment to withdrawal from the encircled capital was expected to depend on the outcome of the Security Council talks on the French-Egyptian resolution. Lebanon and Jordan support the plan, which links peace in Lebanon to an affirmation of Israel's rights as a nation and those of the Palestinians to self-determination and statehood.

## Murderous Bombardments

The French delegate, Luc de la Barre de Nanteuil, said the sponsors were not pressing for an early vote.

He spoke of his government's dismay at the threat of a new assault on West Beirut, following what he termed the recent "murderous bombardments."

The most devastating barrage came Wednesday night, shortly before the cease-fire was established at 10:30 p.m. A Reuters correspondent, watching the attack from a vantage point in Christian-dominated East Beirut, said, "The shells are coming too fast to count."

He said Palestinian guerrillas replied with rocket fire. In West Beirut, civilians began returning to the streets early Thursday, some of them trying to stock up with water supplies from relief trucks. Water and electricity to the western sector have been cut by the Israelis for the past four days.

## Nepal's King Visits Tibet

The Associated Press

PEKING — King Birendra of Nepal arrived Thursday in Xigaza, the second largest city of Tibet, after talks with Premier Zhao Ziyang in the northwest Chinese city of Lanzhou, the Chinese news agency reported.



Mercenary leader Michael Hoare saluted by Peter Duffy, another defendant, outside of court.

## Pretoria Probe Confirms Arming of Mercenaries

Compiled by Our Staff From Dispatches

PRETORIA — Prime Minister P. W. Botha confirmed Thursday that members of the South African Defense Force had supplied arms for the foiled coup attempt in the Seychelles.

But Mr. Botha said an investigation has revealed that neither the Cabinet nor the State Security Council had been aware of the coup beforehand and that no government department had authorized involvement.

The prime minister released the results of a government inquiry following the conclusion earlier Thursday of the trial of 43 mercenaries charged with hijacking a jet to escape from the Seychelles after the plot failed Nov. 25. All but one of the defendants was convicted and given sentences ranging from six months to 10 years imprisonment.

Michael Hoare, the leader of the coup attempt, had said during the trial that the South African Cabinet had approved the plot in principle and that the defense force had supplied the weapons.

Mr. Hoare also said the National Intelligence Service had been aware of the plot.

## Agents Informed

Mr. Botha said the investigation confirmed that Mr. Hoare had informed agents of the intelligence service of the plan and that unauthorized members of the defense force had supplied weapons, ammunition and radios used in the plot.

The prime minister said legislation would be introduced in Parliament banning the use of South African citizens as mercenaries and banning the recruitment of mercenaries on South African soil.

In the sentencing in Pietermaritzburg, Justice Neville James gave

Mr. Hoare a 10-year term for his part in commandeering an Air India airliner in an effort to escape from the Seychelles.

Three other leaders of the mercenary group were jailed for five years, three for two and a half years and one for one year.

The other 34 mercenaries received six-month sentences. They had been found guilty of endangering the safety of the Seychelles airport, the aircraft and its passengers and crew by boarding the plane.

Mr. Hoare, a former British tank commander who led a mercenary group in the Congolese rebellions in the 1960s, was sentenced to 10 years on the principal count of seizing the plane and to five years on two other charges arising from the hijacking. The five-year terms are to be served concurrently with the first sentence.

Tullio Moneta, Peter Duffy and Pieter Doorewaard received five-year terms on the first count and concurrent five-year sentences on other charges, giving them terms of five years.

The judge suspended half of the minimum five-year term for Michael Webb, Kenneth Dalgleish and Charles Gostley. Vernon Prinsloo was ordered to spend one year in jail with four years of the sentence suspended.

The sentencing of 34 of the group to the minimum of five years was accompanied by a suspension of all but six months of the terms.

"I am convinced that you are basically decent people who have fallen for the lure of easy money, adventure and comradeship," the judge said. "The court has studied you and found you to be men of high potential who should be given a chance to redeem yourselves."

## Youths Set Fires, Stone Firemen, Police in Liverpool

The Associated Press

LIVERPOOL — Youths set fire to a vacant apartment building and stoned police, firemen and a television crew in Liverpool's troubled Toxteth area, police said Thursday. No injuries were reported.

The disturbances took place hours after a memorial service Wednesday for David Moore, 23, a crippled man who was fatally injured when run over by a police car during riots in the port city in northwest England a year ago. About 30 youths began throwing rocks at passing cars, including one occupied by a British television crew, police said.

They said stoned cars were driven through the streets at high speeds, and youths wearing ski masks stoned police vans and set fire to a car. Later a vacant building was set on fire, and about 200 youths gathered at the scene. About seven or eight of them stoned firemen, police said, and four people were arrested.

Police Inspector Kenneth Milne said police did not think the incidents were racially motivated, noting that both black and white youths were involved.

## Japanese on Asian Tour To Explain Trade Stand

The Associated Press

TOKYO — A delegation from Japan's ruling Liberal Democratic Party left Thursday for a 12-day tour of Malaysia, Singapore, Indonesia and Brunei to explain Japanese trade policies, a spokesman said.

The delegation is headed by Masumi Esaki, a former minister of international trade and industry, who earlier led a similar mission to Thailand, the Philippines and Taiwan.

## Reagan Promises More Cuts, Forecasts a 'Slow' Recovery

(Continued from Page 1)

mate predictions as we could," he said. He added that he had predicted a "sluggish economy" last year and had said that "no one should expect sudden booms or anything."

He did not mention that his forecasts last year had predicted a robust growth in the economy once his program had been enacted.

The president was asked how long the American people would have to wait for the economic recovery to begin and whether his opening statement on the proposed constitutional amendment requiring a balanced budget was paving the way for more bad news.

He replied that he was only "trying to get more publicity" for the amendment.

He said much of the problem with interest rates now is psychological. Many of the actions in Congress, he said without being specific, are holding back the psychological change needed to help the recovery.

Then he contended that passing an amendment for a balanced budget would be a way to show that the government is really determined to end runaway spending and a way to help change that psychology.

Mr. Reagan was asked about the irony of his campaign for a budget amendment, given the fact that the budget deficit for fiscal 1983 is the largest in history. He said he did not deserve to be blamed for the

deficit. "The budget deficits I don't think can be laid at any individual's door," he said.

The president also defended his decision to raise his military spending proposals back to his original 1984 and 1985 levels, even though he had agreed to reduce them by \$23 billion. Congress had demanded the reduction in the rate of growth of military spending as a way to reduce future budget deficits.

The president said he reserved the right to have flexibility on his program recommendations. He said he had to have the power, when he offers his 1984 budget in January, to allocate spending where he thinks it is needed.

But he did say that he would remain bound to the overall spending and deficit figures in the budget resolution.

## Baldrige Doubts Forecast

WASHINGTON (AP) — Commerce Secretary Malcolm Baldrige said a new Reagan administration forecast for an economic upturn appears too robust, and warned that the recovery could "fizzle out" if interest rates start rising again.

"We're going to see a recovery, but it's going to be so dependent on interest rates," Mr. Baldrige said in an interview this week.

In an updated budget outlook scheduled for release Friday, the administration is assuming the economy will expand at an annual rate of 4.5 percent for the last six months of 1982.

## WORLD BRIEFS

### Iran Reports Major Gains in Battle

LONDON — Iran says its forces seized 60 square miles (150 square kilometers) of Iraqi territory in a major offensive in southern Iraq and that its army would advance to Baghdad to impose a settlement of the Gulf war.

A communique broadcast Thursday by Tehran radio said Iranian forces overran fortified Iraqi positions Wednesday night after heavy fighting. The push began late Wednesday, it said, and fighting was continuing east of the Iraqi port of Basra, the first target of the offensive launched July 13. Iraq said it had repelled the advance, forcing the Iranians to flee after suffering heavy losses.

The parliament speaker, Hashemolislam Rafsanjani, said if Iran's terms for ending the 22-month-old Gulf war were not met, the Iranian Army would march to Baghdad, according to Tehran radio. He warned the nonaligned movement against attending a scheduled meeting in Baghdad in September, saying the city was not a safe place for the summit to be held. Baghdad is only 75 miles (120 kilometers) from the Iranian border.

### Ghana Announces Changes in Regime

ABIDJAN, Ghana — Changes in Ghana's ruling council, including a shake-up of the country's regional secretaries, were announced Thursday on Accra radio.

No explanation was given for the move, the first reshuffle since the establishment of the People's National Defense Council in January after a coup led by Jerry Rawlings.

The government also announced a 27-member National Defense Committee, headed by Mr. Rawlings, a former air force lieutenant. The group will supervise the local people's defense committees, many of which have been accused of harassing civilians since Dec. 31 coup.

### Vietnam, Thailand Discuss Cambodia

BANGKOK — Thailand and Vietnam now understand each other's position on Cambodia and neither wants confrontation, Foreign Minister Siddhi Savetsila of Thailand said Thursday after meeting with Vietnam's foreign minister, Nguyen Co Thach.

Mr. Siddhi said he believed Mr. Thach "came in good faith to show Vietnam's desire for peace." However, there was no sign that basic differences between them had been removed.

Mr. Thach was in Bangkok to put forward Vietnam's proposals for an international conference to discuss regional problems, a partial withdrawal of Vietnamese troops from Cambodia, and a safety zone along the Thai-Cambodian border patrolled by troops from both countries. The Thai government had earlier dismissed his proposals as nothing new and the pretexts atmosphere had been soured by Mr. Thach's reported threat in Singapore to support anti-government guerrillas in Thailand.

### Suárez Forms New Party in Spain

MADRID — Former Spanish Premier Adolfo Suárez, often referred to as the architect of Spain's democracy after nearly four decades of dictatorship, Thursday founded the Democratic and Social Center Party with the aim of entering the general election scheduled next April.

Agustín Rodríguez Sahagún, former president of Spain's ruling Union of the Democratic Center, said that he is leaving to join Suárez.

Mr. Suárez, who was replaced as premier by Leopoldo Calvo Sotelo in 1981, on Wednesday resigned as a member of the Union of the Democratic Center, which he founded in 1977. He said Mr. Calvo Sotelo was taking the party too far to the right.

### Soviet Salyut Space Station Burns Up

MOSCOW — The orbiting space station Salyut-6, focus of the Soviet space program for nearly five years, re-entered Earth's atmosphere on a guided trajectory and burned up over the Pacific Ocean Thursday, Tass reported.

The 19-ton spacecraft, launched in September, 1977, was visited by 16 missions and was the site of a record-breaking stay in space by two cosmonauts who remained on board for 185 days.

Salyut-6 was originally due to stay in space for only 18 months, but proved the most successful craft in the recent Soviet space program. In April, it was replaced by the larger and more sophisticated Salyut-7, which was visited by a joint Soviet-French crew last month.

### Turkish Finance Chief Sets Out Plan

ANKARA — Turkey's new finance minister said Thursday that he is planning fundamental changes in the country's monetary policies but that mistakes had been made that he will try to correct.

In his first public statement since taking office earlier this month, Adnan Baser Kafaloglu told a news conference that he will continue to fight inflation and curb state intervention, but that he wants to promote industrial development. He also said that he will continue to encourage foreign investment in Turkey.

Mr. Kafaloglu said he will seek to create the conditions for boosting industrial output and is preparing detailed programs for several sectors.

Compiled From Agency Dispatches

### Namibia Cease-Fire Date Reported

JOHANNESBURG — A trial cease-fire date for the long-waged South-West Africa bush war has been set for August 15 with a seven-month independence process to start a month later, Foreign Minister R.F. Botha of South Africa told political leaders in the territory Thursday.

Andreas Shipanga, leader of the SWAPO Democrats Party, which includes people who split from SWAPO, the South-West Africa Peoples Organization, said Mr. Botha had told the parties in the South African-ruled territory that the discovery of a plan by SWAPO guerrillas to kill leaders of the parties operating in Namibia would not delay the cease-fire. SWAPO, operating from bases in neighboring Angola, has been fighting South Africa for 16 years to make South-West Africa an independent Namibia.

Kenneth Abrahams of the Namibia Independence Front party said the idea was for hostilities to cease before calling a formal truce that would be supervised by a UN force.

Compiled From Agency Dispatches

### 4 Executives of The Charter Co. Die

As Helicopter Crashes in Ireland Fog

HEADFORD, Ireland — A helicopter carrying four senior executives of The Charter Co., including its president and the president of Charter Oil, crashed in early morning fog near the west coast of Ireland Thursday, killing all aboard, police said.

The four were flying from Ballinacorney Castle, which is owned by the diversified company, to Shannon Airport 75 miles to the south, where they were planning to board a flight to the United States. Headquarters of The Charter Company is Jacksonville, Fla.

Company spokesman John Rodgers identified the four as Jack T. Donnell, president and chief operating officer of The Charter Co.; Dudley K. Parker, president of the Charter Oil Co., a subsidiary; Barry Green, executive vice president of Charter Oil, and Jay Lammons, senior vice president of the oil company.

"We got a call from a resident who recalled hearing a helicopter in the fog this morning. But he couldn't see anything. Then the sound of the helicopter stopped," said a Headford police spokesman.

Ballinacorney Castle is a rambling country mansion in County Galway that Charter Oil regularly uses for business conferences and holiday weekends for its senior employees.

### Mexico, Finland Sign Pact

MEXICO CITY — Mexico and Finland have signed a cultural agreement, calling for the exchange of teachers, administrators, researchers, students and scholarships for research.

## President Denies Habib Set Deadline on Lebanon Talks

(Continued from Page 1)

ion getting hard cash which it does not now have and which it can then use to further build up its military might."

Mr. Reagan is expected to announce soon a one-year extension of the existing U.S. grain-sale agreement with the Soviet Union.

He argued that United States' relations with its European allies remain strong despite the animosity generated by the pipeline dispute. "This is kind of like a fight inside a family, but the family is still a family," he said.

The president defended his administration's move Tuesday certifying that the U.S.-backed government in El Salvador is making progress on human rights and other reforms and thus is eligible for continued American military assistance.

Conceding that some rights abuses still exist there, Mr. Reagan

said: "I'm quite sure that there are unfortunate things that are going on and that are happening. The idea is, are they [Salvadoran leaders] legitimately and in good faith making progress in trying to solve that?"

Asked about his earlier statement that a summit meeting with President Leonid I. Brezhnev of the Soviet Union was "in the works," Mr. Reagan responded, "I don't know whether it's going to be this year or next or at all.... It takes two to tango."

"There have been no positive replies or steps.... If at such time we know that there is an agenda and there is a real purpose in having this, we'll have a summit."



## Radioactivity in Cigarettes Linked To Wide Range of Smoker Cancers

By Fred Bayles

**BOSTON** — Minute radioactive particles in cigarette smoke — already linked to lung cancer — may also be the source of malignant tumors throughout the bodies of smokers, a researcher says.

The radioactive material collected in the mucus lining of the bronchial tubes is passed from the lungs to the entire body, Dr. R.T. Ravenholt of the Centers for Disease Control, a U.S. government agency, wrote in a letter published in Thursday's New England Journal of Medicine.

"The American public is exposed to far more radiation from the smoking of tobacco than they are from any other source or indeed from any other source combined," he said in an interview.

Dr. Ravenholt said the radioactive causes "accelerated aging, early death, ... remission of the disease and mortality patterns affecting early radiologists and others with long-term exposure to X-rays and other forms of ionizing radiation."

Dr. Ravenholt's letter was among several published in re-

sponse to research conducted by Joseph R. DiFranza and Thomas H. Winters of the University of Massachusetts Medical Center.

Mr. DiFranza and Mr. Winters wrote to the journal in February, saying that polonium, a radioactive element found in phosphate fertilizers, is concentrated in cigarette smoke.

The researchers said a half-pack-a-day smoker receives a yearly dose of alpha radiation equivalent to 300 chest X-rays.

"Alpha emitters in cigarette smoke result in appreciable radiation exposure to the bronchial epithelium of smokers and probably second-hand smokers," the two doctors wrote.

Dr. Ravenholt, director of world health surveys for the Centers for Disease Control, said polonium has been found in the blood and urine of smokers, indicating the material passes from the lungs to the bloodstream where it is carried "to every tissue and cell."

He said research he conducted in the 1950s and 1960s led him to believe that smoking "would have the same kind of action on the body as standing in front of an X-ray machine."

Dr. Jeffrey L. Cohen of the Duke University Medical Center said radioactive levels in cigarettes may explain why researchers found a higher incidence of lung cancer among those who smoke more low tar and nicotine cigarettes than those who smoke fewer cigarettes with higher tar and nicotine levels.

"Thus the number of cigarettes smoked may be more important than their tar and nicotine content," he wrote.

Anne Browder, a spokeswoman for the Tobacco Institute, disputed the comments, saying that recent surgeon general reports have said that there is insufficient evidence to link polonium to lung cancer.

She also said polonium is found in fertilizers used by farmers and home gardeners and that it is produced when coal is burned in electric power plants.

"It seems that smoking is the scapegoat for everything and anything in our society and now radiation is being attributed to it," she said.

Dr. Ravenholt cited statistical surveys that showed smokers had a higher-than-expected rate of cancer throughout the body.

## Reagan Plan On Teen Work Is Assailed

Foes of Proposal Argue Against Longer Hours

By David Shribman

**WASHINGTON** — The Reagan administration's proposal for a legal expansion of the hours and types of jobs allowed for children 14 and 15 was described before Congress as an effort to "create a kiddy work force," assailed as an act of "insensitivity and stupidity" and characterized as "counterproductive."

The criticism, voiced Wednesday at the House Labor Standards Subcommittee hearing, came as some members of Congress prepared to press for a joint resolution to stop Secretary of Labor Raymond J. Donovan from carrying through with the regulation changes he proposed earlier this month.

Among other things, the new regulations would permit 14- and 15-year-olds to work as late as 9 p.m. instead of 7 p.m., on school nights and extend the work hours on other days from 9 p.m. to 10 p.m.

At the same time, the new regulations would permit 14- and 15-year-olds to work as late as 9 p.m. instead of 7 p.m., on school nights and extend the work hours on other days from 9 p.m. to 10 p.m.

The Labor Department's wage and hour administrator, told the subcommittee that the proposed regulations "would improve the employment opportunities of young workers without harming their health, well-being or opportunity for schooling."

Mr. Otter said the proposals are designed to make child labor standards more rational and reasonable while permitting young people to develop healthy work attitudes.

A series of witnesses, drawn primarily from labor and education groups, criticized the proposals, which would eliminate a number of other restrictions on work for young people.

"Kiddy Work Force"

Rep. George Miller, the California Democrat who heads the subcommittee, said he will hold another hearing Tuesday. He said he is "outraged by the insensitivity and stupidity of these proposals," and, along with Sen. Edward M. Kennedy, Democrat of Massachusetts, has introduced resolutions to block the proposals.

Thomas Donahue, secretary-treasurer of the AFL-CIO, said the proposals would "create a pool of cheap, part-time child labor, the beneficiaries of which would be the various industries that already have notorious records for violating and undercutting fair labor standards."

It was Mr. Donahue who suggested that the Reagan administration is seeking to "create a kiddy work force."

Ellen Greenberger, a professor at the University of California at Irvine, called the proposal "a real threat to young people's development, to the job prospects of out-of-school youth and adults and, consequently, to the health and vitality of our country."

While conceding that jobs provide some benefit to the development of young people, she said that youngsters who work many hours per week are more likely to reap such benefits than youngsters who work fewer hours.

She added that her studies of working young people in Orange County, Calif., indicated that youths who worked longer hours spent less time with their families and there was a correlation between increased working hours and increased use of cigarettes, alcohol and marijuana.



THE WILD EAST — Riders from Assateague Island, which is shared by Maryland and Virginia, urge wild ponies into Chincoteague Bay as part of an annual roundup. The ponies swim to nearby Chincoteague Island, where a sale is held.

## Falklands Reporters Say Task Force Attempted to Put Out False Stories

By Alex Freire

**LONDON** — The commander of Britain's task force in the Falklands, deliberately attempted to make British war correspondents send back false stories and constantly delayed or obstructed reporters, a parliamentary committee has been told here.

This picture of the other battle of the Falklands — between the press and the censors — emerged from British correspondents this week as a government inquiry into the handling of news during the fighting in Argentina.

Brian Hanrahan, the British Broadcast Corp. reporter who sent back vivid accounts of fighting on and around the Falklands, said Rear Adm. John Woodward, the task force commander, wanted to release false information through the correspondents in order to confuse the enemy.

"Admiral Woodward said it was his intention to cause as much confusion to the enemy as possible, and if there was any way he could 'use' as part of that attempt to confuse the enemy he intended to do so," Mr. Hanrahan told the committee.

Mr. Hanrahan said all of the correspondents refused to report information they knew to be false.

"1940 Propaganda Job"

Michael Nicholson, a reporter for Britain's Independent Television News, told the inquiry that one naval officer told him, "You bastards are the lowest priority rating, at the bottom of the list, and that is where you will remain." Mr. Nicholson said he was expected to do a 1940 propaganda job on the fighting.

Mr. Nicholson told the committee he thought even the Israeli form of military censorship is better because at least photographers are allowed to take pictures first and argue with the censor later. Under British rules, they were sometimes forbidden to film, he said.

Permission to film the burning wreck of the destroyer Sheffield, the ship sunk by an Exocet missile, was given only because Adm.

Woodward wanted to see the pictures himself and was unable to take a helicopter there, the reporters told the inquiry.

Mr. Nicholson said Tony Moran, the senior press officer on the flagship Hermes, helped to create and foster suspicion on all sides. The military critics did not come in for as much criticism as the civilians working for the Ministry of Defense in London.

There were attempts to use censorship for news management and to selectively back up Ministry of Defense statements," Mr. Hanrahan said.

No foreign correspondents were allowed to join the Falklands task force until almost a month after the fighting ended. The parliamentary committee, which may make some recommendations next week,

is only taking testimony from British journalists.

**Arms Ban to Continue**

**LONDON (AP)** — Britain will maintain an arms embargo against Argentina and a protection zone around the Falklands until Buenos Aires gives "clear and reliable indications" it will permanently cease hostilities, Foreign Secretary Francis Pym said Wednesday.

He told the House of Commons in a written reply to a question that economic sanctions against Argentina will continue until the Argentines lift theirs.

Britain lifted its 200-mile exclusion zone around the Falklands on July 22, but told Argentina to keep its military ships and aircraft out of a 150-mile area around the islands to minimize the risk of clashes.

Argentine forces on the islands surrendered to the British on June 14, ending the 74-day undeclared war.

## U.S. House Backs State Control on Military Pensions

New York Times Service

**WASHINGTON** — The House has voted to return to the state control the matter of what to do about military pension benefits in case of divorce.

Last month, in *McCarty v. McCarty*, the U.S. Supreme Court ruled that military pensions could not become part of a property settlement in a divorce. The court found that the possibility that such benefits would be divided with a former spouse might detract from the retirement system's ability to attract enlistees. The court also said that it was up to Congress to provide more protection for former military spouses, if it wanted.

That is what the new measure was drafted to do. It would return the legal situation to the way it was before the Supreme Court ruling, leaving jurisdiction in family and property matters to the state courts.

A similar bill was approved unanimously by the Senate Armed Services Committee on July 14 and is now expected to go to the Senate floor.

**Latin Seek UN Talks**

**CARACAS (AP)** — The presidents of Panama and Venezuela called Wednesday for negotiations in the United Nations leading to Argentine sovereignty over the Falklands and an end to "British colonial presence" in the South Atlantic.

Latin American governments also should meet to discuss the collective self-defense of the region, Presidents Aristides Royo of Panama and Luis Herrera Campins of Venezuela said in a joint declaration.

Both nations supported Argentina in the invasion of the British colony, called the Malvinas in Latin America.

The two presidents, meeting here, agreed that Latin America's defensive and security system needs overhauling as a result of the Falklands conflict, and named the Latin American Economic System, a regional financial organization founded in the mid-1970s, as the most important Latin American forum to defend and fortify the common interests of its members.

## U.S. House to Vote on Individual Budget Cuts

By Martin Tolchin

**WASHINGTON** — The House has approved a plan by its Democratic leadership to bring proposed spending cuts to a vote on a single instead of in a single package as sought by the White House and Republican congressional leaders.

Wednesday's vote of 240-170 ended debate during which leaders of each party questioned each other's motives and record of fiscal responsibility. Thirty Republicans, mostly moderates from the Northeast and Midwest, supported the Democratic leadership's plan, and 14 Democrats, mostly conservatives from the Southwest, sided with the Republicans.

Republican congressional leaders acknowledged that the vote presented new obstacles to House compliance with its own directive, in the budget resolution, to adopt \$27 billion in spending cuts through fiscal 1985.

"The spending cuts are imperiled," said an aide to the House Republican leadership. "Today's

vote wiped out the best hope we had of not having our guys walk the plank."

"It takes courage to vote issue by issue, to take your stand," said the majority leader, Rep. James C. Wright Jr. of Texas. "The question here is whether we get to vote on the merits, in the sunlight, so that the public can see how we voted."

Rep. Robert H. Michel of Illinois, the minority leader, told the chamber that "election-year politics has governed the conduct of this House for months."

"What we see here is not fiscal responsibility but political irresponsibility," Rep. Michel said, charging the Democrats with "using a vote in the House as the basis of drafting campaign news releases."

The Republicans had sought a single package of spending cuts, similar to the \$35-billion package adopted last year. By packaging the cuts, the Republicans hoped to minimize the lobbying efforts of special-interest groups. They be-

lieved that opponents would find it easier to take aim at individual cuts than to defeat a single package that was presented as exacting sacrifices from all sectors of the economy.

The Democrats, in contrast, had sought individual votes to place Republicans on record as supporting a series of separate spending cuts, many of them unpopular, in an election year.

**Democrats Back Tax Rise**

**WASHINGTON (WP)** — In a politically calculated action, the House has voted 208-197 to accept without modification Senate-passed legislation to increase taxes by \$98.5 billion over the next three years.

The measure, if enacted, would be the largest peacetime tax increase in U.S. history.

It will be subject to modification by a House-Senate conference committee, but the extraordinary action Wednesday means that the

House will have no direct influence on the content of the legislation.

Democrats averted direct House consideration of the measure as part of a strategy designed to ensure that the legislation could not be described as a "Democratic" tax bill. They voted 164-60 in favor of the action, whereas Republicans were opposed, 137-44.

Rep. Dan Rostenkowski, Democrat of Illinois, chairman of the Ways and Means Committee, acknowledged that the tactic "is an unusual strategy, if not without precedent." But he argued that "any attempt to write our own version of a \$98-billion tax bill will lead to political mayhem and severely reduce odds of passage."

The tax legislation includes 10-percent withholding of dividend and interest income; reductions in medical deductions; increased cigarette and telephone taxes; reduced tax breaks for new business investments; broadened minimum taxes on the rich; and halving of deductions for business lunches.

## U.S. Aims to Help Russians Beat Ban on N.Y. Facilities

New York Times Service

**GLEN COVE, N.Y.** — The U.S. State Department has asked the Justice Department to review possible legal action against the city of Glen Cove to force it to lift a ban that prohibits Soviet diplomats from using the city's tennis courts and other recreational facilities.

Mayor Alan M. Parente, who joined the City Council Tuesday in refusing to lift the ban despite a State Department request not to meddle in foreign affairs, continued Wednesday to resist the growing pressure from Washington.

"Unless the State Department wants to pay up all the property taxes the Soviets have never had to pay like other Glen Cove residents," Mr. Parente said, "then the Russians will have to stay off the tennis courts."

The Russians have also been barred from city golf courses and beaches, which they used principally on weekend visits to Killenworth, a 37-acre estate here with a 49-room mansion that is used by the Soviet Mission to the United Nations. The city estimates it loses about \$100,000 a year in revenues because the Russians do not pay taxes on the estate.

Vladimir Miloyan, a press officer with the Soviet Embassy in Washington, said, "With all due respect to the Big Apple, it's quite natural for someone who has been working all week inside an office in a place like New York City to want to go to the beach on the weekend with his family and have some rest and relaxation."

## U.S. House Would Deny Loans to Draft Evaders

By Margot Hornblower

**WASHINGTON Post Service**

**WASHINGTON** — The House has voted by 303 votes to 95 to deny U.S. government student loans to youths who do not register for the draft.

More than 675,000 young men are believed to have avoided signing up since draft registration was reinstated for 18-year-old males in 1980. It is not known how many might otherwise be eligible for student loans.

The amendment to the defense authorization bill was sponsored by Rep. Gerald B. Solomon, Republican of New York.

The Senate approved similar language in May, so the provision is virtually certain to become law.

Rep. Thomas F. Hartnett, Republican of South Carolina, said, "People who want to receive financial assistance from this government should abide by the laws of the land."

Rep. Paul Simon, Democrat of Illinois, a leading opponent of the amendment, said it would "cause chaos on the campuses" and violate the tradition of conscientious objectors, upheld through World Wars I and II.

Rep. Barry M. Goldwater Jr., Republican of California, a longtime opponent of the draft, said the Solomon amendment discriminates against the poor because "if you are wealthy enough not to need student loans, you don't have to register and you can still go to school."

The much larger guaranteed student loan program under which students borrow from lending institutions, with repayment guaranteed by the federal government, would not be affected.

Few universities or major colleges are on the list of those that would become ineligible to share in the \$178 million to be allocated for direct loans for the coming year. The primary targets are small community colleges, beauty schools, technical institutions and some business and nursing schools.

Recently, a Senate governmental affairs subcommittee accused the department of not trying hard enough to collect delinquent loans.

While conceding that past efforts have perhaps been too slack, Education Secretary Terrel H. Bell said Wednesday he is reviewing plans for stepping up collection efforts, with a goal of collecting \$80 million in defaults from both types of student loans in the coming year.

## Banco Ambrosiano Scandal Lifts Veil on Dealings of Vatican's Bank

(Continued from Page 1)

native of Cicero, Ill., who for the last 10 years has run the Vatican's free-wheeling, secretive bank. The bank's formal name is Istituto per le Opere di Religione, the Institute for Religious Works, and is commonly referred to as IOR.

Archbishop Marcinkus, a former chief of papal security, has been a controversial figure in financial circles because, as head of the Vatican bank, he was responsible for losing a reported \$30 million in the 1974 collapse of the business empire of Michele Sindona, the Sicilian financier now serving a 25-year jail sentence in New York in connection with the failure of the Franklin National Bank.

Last week, an Italian magistrate ordered that Luigi Menzini, a layman who was second to Archbishop Marcinkus at the Vatican bank, should stand trial for his role in the Sindona scandal.

[The Vatican has refused to accept formal notices of possible legal action in the case issued by Milan magistrates against Archbishop Marcinkus, Mr. Menzini and the Vatican bank's chief accountant, Pellegrino de Strobel, judicial sources said Thursday, Reuters reported.]

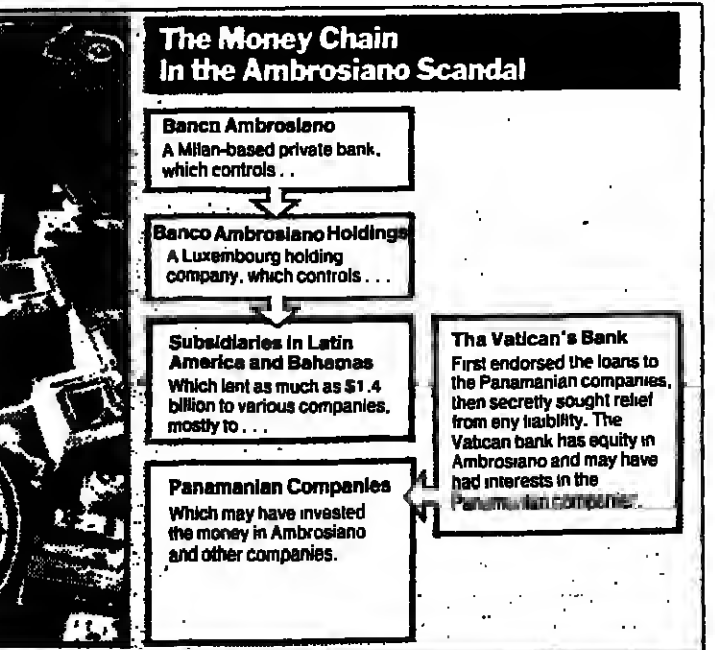
[The sources said the magistrates' letters addressed to the three men were returned unopened by the Vatican and sent to the Foreign Ministry. It was the first time that the Vatican bankers have been warned they could face possible charges in the Calvi affair.]

During 1980 and 1981, investigating officials say, Mr. Calvi mounted an extensive lending program to the Peruvian, Nicaraguan and the Banco Ambrosiano group, using funds borrowed in the Euro-dollar market that eventually totaled about \$1.2 billion to \$1.4 billion.

Most of this money was then lent to a series of Panamanian companies with names such as Belatrix, Manic and Astroline, most of which are thought to have no more than mailing addresses



The square building at right in Vatican City is the Apostolic Palace, housing the Vatican's bank.



and probably in other companies as well.

By now, one senior investigator estimated, the Panamanian companies own about 20 percent of Banco Ambrosiano.

As interest rates soared last year and the dollar strengthened, the investigators surmise that Mr. Calvi found it increasingly difficult to service his dollar-denominated borrowings with the dividends from his shares, often paid in weak Italian lire.

As his financial difficulties mounted, the investigators assume Mr. Calvi needed the Vatican letters of comfort to reassure skeptical directors of his own bank and also to satisfy foreign lenders.

The real mystery is why Archbishop Marcinkus agreed to provide the letters of comfort that he knew could be used to make lenders think the Panamanian companies enjoyed Vatican backing, while at the same time demanding a secret letter from Mr. Calvi absolving the Vatican for what must have looked by then to be an increasingly risky operation.

There is speculation that the archbishop may have wished to protect the Vatican's own stake in Banco Ambrosiano, which is assumed to be far more than the 1.8 percent shown by the latest official figures. There is also some evidence that the archbishop became alarmed by the arrangements he had made and refused to extend the letters of comfort, which expired in June. He is unavailable for interviews.

In the view of the Italian Treasury minister, Nino Andreatta, and of Mr. Ciampi, the Vatican acted improperly in issuing letters of comfort to Banco Ambrosiano at the same time as it asked the bank

to absolve it. They believe it must therefore bear at least a moral responsibility for any losses incurred.

Addressing legislators earlier this month, Mr. Andreatta said the government expects clear acceptance of responsibility on the part of the Vatican bank, "which in some operations with Banco Ambrosiano appears in the role of an effective partner."

The aim of Italian authorities, senior officials say, is to:

- Use the Banco Ambrosiano scandal to force Pope John Paul II to tighten financial controls in the Vatican, which is now experiencing its second major money scandal in eight years.
- End the Vatican bank's ambiguous role under Italian law.
- Make the Vatican pay part of any losses incurred by Banco Ambrosiano's Luxembourg holding company.

The pope's lay commission to investigate the Vatican bank is made up of Joseph Brennan, a former chairman of the Emigrant Savings Bank of New York; Philippe de Wech, a former president of Switzerland's Union Bank; and Carlo Cirilli, an Italian civil servant with strong ties to the Vatican.

The commission members will be reporting directly to Cardinal Agostino Casaroli, the Vatican secretary of state. However, some Italian bankers and officials feel that, with the exception of Mr. de Wech, the commission is an ineffective group that may not make much of an impact on the Vatican's ponderous administrative machinery.

Many feel that the reason the Vatican bank became involved in the Ambrosiano scandal is that the Vatican, which has admitted running yearly budget deficits of \$20 million to \$30 million recently, came to rely on its bank's profits to fill the gap. "IOR was under pressure to perform and that can lead to mistakes," Mr. Carli said.

Little is known about the Vatican bank except that in the 1970s

it began to diversify its investment portfolio outside Italy, selling off major shareholdings in many Italian companies. It was this policy that brought it into contact with Mr. Sindona, who handled the tricky problem of selling large shareholdings profitably on Italy's thinly capitalized stock exchange.

The bank is thought to make most of its profit from managing the funds of religious orders and churches around the world. A senior Italian official estimated that, with between \$1 billion and \$2 billion in deposits, the Vatican bank probably turns in profits of about \$20 million, or enough to make up for the Vatican's budget deficit.

The bank, which is not subject to Italy's exchange controls and banking regulations, is thought to have been used by Italian financiers as a conduit for smuggling money out of the country, officials said.

The Italian Finance Ministry and central bank would like to see the Vatican bank's legal position changed as a further way of keeping it under control. "The aim is one bank under Italian regulation for the Vatican's lire assets, and another offshore bank to handle foreign currency balances, with no leakage," a senior official explained.

Rough estimates by the Italian central bank suggest that losses by Banco Ambrosiano's Luxembourg holding company might run as high as \$400 million to \$500 million. So far, Italian officials say, the Vatican has declined to accept any responsibility, but they hope that the lay commission may recommend such a step in order to safeguard the Vatican bank's financial reputation.

**Shuttle May Land Near Florida Pad**

**The Associated Press**

**WASHINGTON** — After four landings on broad desert runways in the western United States, the space shuttle Columbia will probably return next time to a concrete strip near its Florida launch pad, a senior NASA official said.

Deputy Administrator Hans Mark of the National Aeronautics and Space Administration, appearing before a congressional committee with the astronauts who returned with the Columbia earlier this month, also said Wednesday that the loss of the shuttle's two rocket boosters on that flight may have been caused by two misaligned sensors.

**Loan Defaults Penalized**

**WASHINGTON (NYT)** — The Department of Education moved on Wednesday to halt further loan funds to 528 colleges and other educational institutions where defaults in repaying campus-based national direct student loans total 25 percent or more.

The cutoff would go into effect unless vetoed by both houses of Congress within 45 days. It is uncertain what action Congress will take.

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# Herald Tribune

Published With The New York Times and The Washington Post

## Leave Beirut in Peace

From THE WASHINGTON POST

The Israeli air force bombed central West Beirut on Tuesday, killing scores of civilians. It was a raid lacking even the arguable rationale — adjacent PLO guns — that Israel has cited for other attacks in populated areas.

Israel had been making a certain headway recently in its efforts to demonstrate that accounts of civilian casualties had been greatly overblown. On Tuesday it diminished the good it had done itself.

The truth is that it is not only the PLO that is, in the recurrent phrase, "trapped." So is Israel. It did not sustain the military momentum that might have led to a quick PLO rout, and now it finds its freedom of military action hobbled by currents of questioning at home and by heavy foreign criticism.

While Israeli forces were on the march, Prime Minister Menachem Begin and Defense Minister Ariel Sharon hardly deigned to justify their movement past the 25-mile border zone that it was their initial stated aim to clear of PLO guns. Battered down at Beirut, they are increasingly desperate to show they have not overreached.

The U.S. government, while it has spoken in several voices, has generally afforded Israel a certain fuzzy tolerance for the threats and feints it has been using to force the PLO

out of Beirut and out of Lebanon altogether. This is the tack President Reagan took in his news conference Wednesday night. The Israelis would be making an immense error, however, if they thought the United States would simply twiddle its thumbs while Israel mounted the major assault that might be necessary to destroy the PLO within the city. We cannot imagine that, privately, Mr. Reagan has left the Israelis in the slightest doubt.

This does not mean the United States has pulled the Israelis' last ace. The PLO has been looking for easy political concessions from Washington, but the administration has stayed faithful to long-standing American undertakings to Israel. The administration should have proved to the PLO by now that there is no point in pursuing this tactic any more. PLO efforts to string out withdrawal negotiations are forcing a totally unacceptable prolongation of the ordeal of a city that was never consulted in the first instance when the PLO holed up there and put its fate on the line. Yasser Arafat has promised the Lebanese government to quit Beirut, and every responsible Arab government insists on it. Sudan has offered sanctuary, other places are no doubt available. The city must be freed of its Israeli and Palestinian belligerents alike.

## Gandhi Visits Reagan

From THE NEW YORK TIMES

"Try, try and try again" ought to be the hallmark of American diplomacy toward India and its sometimes prickly prime minister, Indira Gandhi. India and the United States have every reason to be partners — belief in secular democracy, a flourishing trade and the logic of geopolitics. What most divides them is petty chaff.

Mrs. Gandhi does not come to Washington as a supplicant, nor are there any big and angry arguments between New Delhi and Washington. On the contrary, it is a tranquil moment. So this could be the right time for President Reagan to sweep some long-standing quarrels away — like the eight-year dispute over resupplying India's Tarapur reactor with enriched uranium. Likewise, a tangle of ambiguities can be cleared away concerning the United States' ties to Pakistan, and Indian ties to the Soviet Union.

But the big item on the agenda is intractable. The picture most Americans have of India, as a vast Calcutta or a starving poorhouse, is absurdly outdated. India is an industrializing country finally able to feed itself. Despite political strains, its largest trading partner today is America, with an annual trade of nearly \$3 billion. And Mrs. Gandhi's brand of socialism is laced with the free-market policies Reagan approves.

India's relations with the Soviet Union are a matter of concern. New Delhi signed a friendship treaty with Moscow in 1971, not long after Washington "tilted" to Pakistan in a war that India won. Out of that treaty has

come an arrangement whereby India sells Russia cheap consumer goods that it could hardly sell in the West, and buys Russian weapons on terms it could not hope to get in the West. As a bonus, Moscow keeps India's Communists comparatively docile.

So Mrs. Gandhi is not quite a free agent when it comes to the Soviet invasion of Afghanistan, which she has yet to condemn forthrightly. Lessening this dependence on Moscow clearly ought to be the abiding aim of U.S. diplomacy. To that end the administration should seek a way to provide India with nuclear fuel without weakening nuclear safeguards. It can also ease India's legitimate fears by ruling out a rumored doubling in the fleet of 40 F-16s approved for Pakistan.

For her part, Mrs. Gandhi is plainly intent to make the best of her 10-day visit. "As formidable as she was condescending," wrote Henry Kissinger of her last arrival in Washington, when she could scarcely conceal her disdain. A good deal has happened to her since 1971: the crude suspension of democracy in 1975-77, her defeat at the polls, a triumphant return in 1979, followed by her favored son's death in an accident. Now she is back as freely chosen prime minister of the world's largest democracy. If India gets weapons from the East, its political independence derives from the West, and its proud and ancient culture owes nothing to Moscow. Its political maturity, which Americans take for granted, is critical to South Asian stability. Mrs. Gandhi is entitled to an attentive ear.

## Other Editorial Opinion

### For the Sake of Beirut

The appalling loss of life and the physical destruction in Beirut have to be halted immediately. The United States, Israel, the Palestine Liberation Organization and the Arab states must all accept some responsibility for the fate of the half million Lebanese and Palestinian civilians under siege in Beirut. Israel should at once halt its attacks on the west of the capital, Mr. Arafat, the chairman of the PLO, must take the plunge and state unequivocally that he accepts Israel's right to exist within its pre-1967 boundaries. The United States should simultaneously agree to drop its 1975 refusal to hold direct negotiations with the PLO. The Arab states must closely involved in the conflict should be prepared to accept some of the PLO guerrillas from Beirut in return for a commitment that wider negotiations will begin shortly on the future of the Israeli-occupied West Bank and Gaza.

—The Financial Times (London).

### A Steel Settlement

The possibility of a trade war is real. High-ranking representatives of the Common Market and the Reagan administration are renewing talks on the steel dispute in Brussels. But, with only four weeks remaining before the Aug. 24 deadline, the hour is late.

If the global economy were expanding, it would be much easier to settle the dispute. But, in a contracting market, both the U.S. government and its European counterparts find it politically difficult to make the sort of compromises that are necessary.

In the American view, the root of the problem lies in the misjudgment of the European steel producers a few years ago in building productive capacity well beyond any reasonable projection of their own needs. The Europeans had their eyes on export markets. But

these markets failed to develop for several reasons — including the fact that Third World countries were busily building excessive steel-making capacity of their own for the export markets.

The Common Market countries, after much painful discussion among themselves, adopted a plan to shrink their steel production capacity to a more realistic size by 1985. At that time, the subsidies supposedly will end. Meanwhile, the Europeans have sought to ease the pain of transition by increasing their steel exports to the United States. Such shipments almost doubled from 1980 to 1981, and continue at troublesome levels still — this at a time when the American steel industry is operating at 43 percent of capacity, and when more than 100,000 steelworkers have been laid off. If the countervailing duties announced by the U.S. Department of Commerce stick, they will effectively shut some of the European countries completely out of the American steel market.

The Europeans point out that they buy more from America than they sell to it. They threaten to retaliate against U.S. industries, including agriculture, that profit mightily from sales in Europe.

No American should doubt the calamity that a serious breakdown of trading relationships with Western Europe would mean. The livelihoods of millions of farmers and workers are involved. The fact that the Europeans stand to be hurt even worse is small comfort. By any common sense standard, the two sides should be able to get together. In earlier talks, the Common Market sought 6.3 percent of the American steel market, while the Reagan administration offered a maximum 5.3 percent. That is a ludicrously small difference, considering the enormous economic, political and military costs that will be incurred if the negotiations fail.

—The Los Angeles Times.



## The Weapons Business Can Boomerang

By Flora Lewis

PARIS — A nasty little quarrel has broken out between the French and the British, another example of what is to be expected as the world arms trade grows ever larger and more advanced.

London's Sunday Times quoted a French engineer at Argentina's Bahia Blanca air base as saying that he and his team fitted Exocet missiles to French-built planes during the Falklands war. The report suggested it was a secret and perhaps deliberate breach of France's military embargo, enabling two British ships to be sunk.

The French government is furious. A flat public denial has been issued, and privately officials say darkly that they think the British government had a hand in magnifying the story "at a time when unity of European states is an imperative necessity." That is a reference to the European-American quarrel on the Soviet gas pipeline deal, steel and other issues. Further, the French note that they gave substantial "operational" help to the British, and warn that if charges of disloyalty to an ally are not stopped, they might reveal some "direct or indirect" breaches of the blockade by British arms firms.

Before making its statement, the French government held an investigation "because it's true, strange things can happen in the arms trade," an official said. Hervé Colin, the Dassault engineer who headed the team sent to Argentina last November along with the first batch of Super Etendard planes, was summoned to Paris.

The government concluded he did not have the expertise to adjust the missiles. That was to have been done by a team from SNAIS, the state-owned producer of Exocets, scheduled to reach Argentina on April 10 but held back in France when the embargo was imposed on April 7.

However, the French pointed out that Argentine technicians had been working with the planes and missiles for seven years. "The British think the Argentines are underdeveloped monkeys, and maybe they are politically and economically, but their technicians are good," a knowledgeable French source said.

The point ranks, because at the start of the war Paris told London not to worry too much about the Exocets since the French specialists were not going to install them. Further, the French sent Super Etendards and Mirages to make mock attacks on the British fleet sailing to the Falklands so it could practice against the French equipment. The other "operational" help is still being kept secret for fear of upsetting other French arms customers.

The whole incident shows what sensitive political problems are being fused by the flourishing modern arms trade, and how likely there are to be future explosions. There has been an important leap in the quality as well as the quantity of arms transfers in the last seven or eight years, virtually all of it under the close supervision if not actual command of governments.

Until then, most big sales to developing countries were of surplus or obsolete equipment. Two events changed the pattern of purposeful production of advanced equipment for export.

One was the 1973 oil crisis, which spurred the search for ways to earn back petrodollars. Sale of expensive weapons suited perfectly. The other was the end of the Vietnam war, which brought America back into the export market so it would not have to shut down plants.

During the Carter administration, efforts were made to negotiate some restraints on this monstrous extravagance in a world that contains so much hunger and poverty. Three-quarters of the \$30-billion worldwide arms transfers now go to countries in the Third World.

But the talks with the Soviets broke down. Andrew Pierre, who wrote a recent book about the arms trade, thinks talks could still be applied providing the United States gets agreement among all major Western suppliers first, and only then seeks an overall deal with Moscow.

Officials consider that wildly optimistic. The real momentum comes from buyers, not exporters. Repeatedly, big Third World countries have blocked attempts by small European countries to get even a comprehensive study of the trade launched by the United Nations. The customers are still more eager than the merchants of death, so there is not much hope of limiting demand.

The chance of restricting supplies is probably limited to items not produced by more than three or four countries. Even then, a French Defense Ministry expert said, there is always somebody who finds an overriding political reason to make a sale, and then everyone wants to compete.

The only realistic way to impose a ceiling at least on the quality spiral is to identify new weapons under development and apply an agreed ban. "Once the production line gets going, it's too late," the expert added.

But a try must be made, by public demand. As the Franco-British rift shows, nobody can be sure when his own or his ally's arms will be turned against him. The one sure thing is that some of the weapons will be used, somewhere.

The New York Times.

## Among the World's Bankers, a Loss of Nerve

By Jonathan Power

BALTIMORE — Azizali Mohammad is viewed by many as the eminence grise of the International Monetary Fund, whose external relations department he heads.

It is not that the bankers necessarily fear a major Third World default — although few at the meeting entirely discounted one, and the fact is that South Korea, Brazil and Mexico alone owe the banking system more than the total capital and reserves of the nine largest U.S. banks. But they can see danger looming.

If they each follow the kind of cautious course that the IMF policy in effect encourages, they are going to substantially erode the credit base of the world economy, deepening and lengthening the present recession. As McNamara argued, the bankers' caution is undermining growth "as surely as a major default itself would."

What part of Mohammad's rationale for prudence is understandable — the big IMF loans of 1980 and 1981 are still being digested by the 43 countries who received them — part could be self-defeating.

He argued that the IMF took the plunge in 1980 because it thought the recession would be coming to an end. Now the IMF is less optimistic about the prospects for renewed growth and, just like the commercial banks, is worried about the ability of some of its borrowers to repay.

But if the IMF follows this course, the world economy will decline further, and the ability of borrowers to repay will be curtailed, and this could bring on the defaults the bankers seek to avoid. The worrying signs are there already. Already the short-term debt of the middle-income developing countries is more than twice the longer-term obligations.

The number of countries in arrears is 26, compared with four in 1974, and the amount in arrears has risen from \$500 million to \$5.5 billion.

New lending is going solely for the servicing of old debt, not for new investment. The poorer developing countries in Africa, for example, are receiving almost no commercial cash.

It is doubtful that one of the big debtors — Brazil, South Korea or

Mexico — will default soon, as they have considerable resilience. But one or two smaller countries could quite easily. And this could cause individual banks to reduce credit by a multiple of their non-repayment, thus bringing bigger borrowings closer to the margin of default.

Is not this vicious downward cycle what the IMF is there to avoid? If there are no signs that the IMF is persuadable, indeed, some IMF officials are saying, privately and provocatively, that maybe the big \$5.8-billion Indian loan of 1981 was not really necessary, because the Indians are merely using it, in effect, to buy Mirage jets. Most other Third World countries could pround, if not military expenditures, some other wasteful part of government spending.

Robert McNamara met this mood of intrinsigence head-on. At the conference he called for a new world monetary institution, some form of international lender of last resort — in short, a world central bank. His inference seemed to be that if the IMF could not do the job, a new institution should be allowed to.

"Of course this cannot simply be a device to bail out banks that have made imprudent loans," he said. "A lender of last resort must be able to modify the behavior of banks that may otherwise, later, make excessive claims on him. But if defaults can echo through the system, bankrupting the prudent along with the imprudent, perhaps the morality of insurance is a better guide than the morality of punishment in the management of international financial flows."

McNamara finished his plea with a quote from Barbara Ward. "We must create an editorial board of the world economy — the banks, the IMF and the politicians — is losing his nerve, this was bold rhetoric."

But is anyone listening?

International Herald Tribune.

## In America, a Grim Anniversary

By Chalmers M. Roberts

WASHINGTON — Fifty years ago this week, a ragtag "bonus army" of jobless World War I veterans was driven out of Washington, an act that symbolized the depth of the Great Depression and the paralysis of the government in dealing with America's worst economic disaster.

Father James Cox of Pittsburgh had already led one jobless march on Washington, the Communist Party another. The bonus army began in Portland, Ore. By early summer, 20,000 veterans and relatives were in Washington, calling themselves the BEF — bonus expeditionary force. The ostensible purpose was to pressure Congress into voting immediate payment of a veterans' bonus.

Rep. Wright Patman's proposal was to pay \$1 for each day served in the United States, \$1.25 for days spent overseas. The Democratic-controlled House approved, but the Republican Senate refused while thousands of the vets jammed the Capitol grounds. They sang "America" and peacefully went back in their camps. These were shack villages thrown together at several locations, principally on the Anacostia's east bank and on Pennsylvania Avenue.

On June 7, as 100,000 watched, some 3,000 vets marched down Pennsylvania Avenue in what The Post called "the strangest military parade the capital has ever witnessed." By mid-July the White House was "guarded from veterans" by "the greatest massing of policemen seen in Washington since the race riot after the world war." Inside the mansion sat a besieged President Hoover.

Police chief Pelham D. Glassford, World War I's youngest brigadier general, wanted to feed the vets, not fight them. Evelyn Walsh McLean, who owned the Hope diamond, impulsively ordered a thousand sandwiches. Glassford paid for the coffee. But the District commissioners, under White House pressure, ordered evacuation of the camps.

Glassford tried persuasion to no avail. Skirmishes turned into a brawl, and then a panicky cop pulled his revolver. One vet was killed, another wounded; he died later. Hoover called on the Army to "put an end to rioting and defiance of authority."

It was 4:30 in the afternoon of July 28 when Chief of Staff Douglas MacArthur appeared on the avenue. With him was Maj. Dwight D. Eisenhower. Third Cavalry troopers, sabers drawn, cantered down the street under command of Maj. George S. Patton Jr., followed by infantry with fixed bayonets, a machine gun detachment, troops with tear gas and six midget tanks, their treads eating into the heat-softened macadam.

Some 20,000 rush-hour spectators watched as the troops charged the vets. Tear gas spread a haze over the avenue as spectators fled. It was quickly over as the bonus marchers retreated, the flames and smoke from their torched shacks framing the Capitol dome for photographers. The bitter vets finally struggled out of town.

MacArthur claimed the "mob" had been "annihilated by the essence of revolution." Some of those involved were, indeed, would-be revolutionaries, but that was not the veterans' motivating force. Despair was. One

vet said, "If they gave me a job, I wouldn't care about the bonus."

Out of that disaster half a century ago came the New Deal of Franklin D. Roosevelt, which constructed the basic ribs of the economic safety net that is now being so severely strained by Reaganomics.

However, one has only to look at mid-1932 to see what a different America it was before there was any safety net at all. In 1932, unemployment averaged 23.6 percent and unemployed men sold apples for a nickel on thousands of street corners. Today the figure is 9.5 percent and nearly half the jobless draw some form of unemployment insurance. Social Security provides a bedrock income for the elderly, and Medicare provides for health care.

Yes, unemployment benefits expire, welfare payments get cut off, inflation pinches millions, bankruptcies multiply and America is in the worst recession since 1932. There are rents in the safety net, and even some holes — but the net is there.

November's elections should tell us whether the voters want that safety net to remain, even to be repaired, or whether President Reagan does have a mandate to unravel still more of it.

The Washington Post.

Letters intended for publication should be addressed to the editor and contain the writer's signature, name and address. Brief letters receive priority, and letters may be abridged. We cannot acknowledge all letters, but we value the views of the readers who submit them.

## Guatemala Can't Do It Both Ways

By Allan Nairn

NEW YORK — There is a village in northern Guatemala that keeps a list of townspeople who have been executed by the army. In June, this year's roster passed the 400 mark, nearly half of them women and children. The latest entry, a man suspected of giving food to the guerrillas, was chopped into tiny pieces.

This may look like mere manic savagery — but U.S. policy-makers should reflect long and hard on the mandate they have been sending before they they go hunting epiphanies at Guatemalan generals.

For years Washington has been asking Guatemala both to defeat the guerrillas and to honor human rights. By assuming that both goals can be pursued at once, the United States has done more than misjudge Guatemalan reality. It has discouraged the Guatemalan elite from facing the need for a political settlement.

In addition, it has kept U.S. opinion from confronting the prospect that the massacres may not be mere acts of irrational excess but tactics needed to achieve a policy goal endorsed by the United States.

It might be possible to pursue both counterinsurgency and human rights if the guerrillas were few and isolated. But as peasants, guerrillas and army troops will attest, that is not the way it is in Guatemala.

It is one thing to ask an army to honor human rights when its main problem is distinguishing between the guerrillas and the people. It is something else again when the guerrillas have so many civilian collaborators, old men, women and children among them, that in entire towns and districts, for all intents and purposes, the guerrillas are the people.

When asked about army killings of unarmed civilians, Gen. Efraim Rios Montt, Guatemala's military ruler, said: "Look, the problem of the war is not just a question of who is shooting. For each one who is shooting there are 10 working behind him."

His press secretary, Francisco Bianchi, said: "The guerrillas won over many Indian collaborators. Therefore the Indians were subversives, right? And how do you fight subversion? Clearly, you had to kill Indians because they were collaborating with subversion. And then they would say, 'You're massacring innocent people.' But they weren't innocent. They had sold out to subversion."

On April 1 the Rios Montt government adopted a confidential security plan that acknowledged: "The manpower, armaments and equipment of the Guatemalan Army are not sufficient to cover the different fronts presented by armed subversion."

"It's very hard," a soldier complained in a dusty village. "There are so many of them. They're more popular than we are." Very few of the guerrillas were armed, he said, "but we have to kill them."

The military has been given the task of defeating a class uprising. Yet the United States has become convinced that this somehow can be done in a way that is painless to the North American conscience. Keep the peasants in their place but don't violate their human rights. This concept encourages Guatemalan military men, and they have a point.

If the United States is serious about wanting to defeat the Guatemalan guerrillas, it must face up to not just an expensive war of attrition, but also a bloodbath. It will be a bloodbath not because the Guatemalan soldiers are irrational but because their enemy is a large portion of their own people, and to defeat them they must kill them.

Government handouts and sophisticated counterinsurgency plans offer no way around this ugly truth.

Three-fourths of rural Guatemalans are malnourished; 50 percent die before the age of 5. Plantations "indiscriminate" respect for the minimum wage of \$2.25 per day, according to the security plan. The government, whose taxes take one of the lowest percentages of gross national product in the world, cannot afford an effective welfare program.

Gen. Rios Montt's Vietnam-style strategy has only increased the killing. Under cover of what the security plan calls "psychological action at all levels," the army has devastated the countryside. A rightist newspaper recently listed 384 victims of 30 massacres, an editorial blamed the army.

By ingeniously demanding the impossible — military victory with human rights — the United States freezes the oligarchy, which dismisses the rights complaint and runs with the military mandate, from pressure for negotiations. This demand helps Americans forget that they are allied with a government whose survival depends on its ability to kill its citizens.

The writer, a journalist specializing in Central America, returned recently from a three-month tour of Guatemala. He contributed this comment to The New York Times.

## LETTERS TO THE EDITOR

### Bad to Worse?

Regarding "Can Reagan Inspire Confidence?" (Herald Tribune, July 26):

James Reston makes a rare overstatement in speaking of "the staggering blunders of Washington" over the past 20 years. Vietnam, Watergate and Iran were failures, but those were years of unprecedented economic growth, and of policy agreement with the allies. The blunders of the Reagan administration in the last two years have led to economic paralysis and to relations with NATO partners that make them sound like enemies.

ALFRED E. DAVIDSON, Paris.

### Bradford Defended

Regarding "A Roll Call of British Architecture" (Herald Tribune, July 17):

This article has done Bradford on

Avon a grave disservice. In the postscript you mention services offered around our town (but not in it), all of them many miles away.

At Bradford it is to maintain its architectural heritage, it cannot have lovely hotels. But within the old houses and towns there is some of the best accommodation in the country.

MA. RIDYARD, Bradford on Avon, England.

Turning Him Off

Regarding "Should Women Phone for a Date?" (Herald Tribune, July 17):

Women made the moves which signal to men that they can make the "first" move without embarrassment to either. Altering relations perfectly regulated by instincts turns healthy males off American women.

S.V. PLETTERBERG, Madrid.

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## Japan, With Tradition Of Consuming Whales, Bridges at Hunting Ban

By Henry Scott Stokes

**TOKYO** — The decision last week by the International Whaling Commission to ban commercial whaling in three years has opened a wide gap between the West and Japan.

The difference is in part commercial. Japan is the world's leading whaling nation, with 1,300 jobs directly involved. The whaling industry asserts that up to 50,000 jobs exist in related industries.

Nearly one-third of the 14,000 whales caught last year were taken by the Japanese, and they yielded a value of \$44.4 million in primary products such as meat. Secondary items such as bone produced further income.

But the nub of the issue is the large cultural and historical differences in attitudes toward whaling between Japan and the West. The Japanese do not see why Americans, who pushed through last week's decision, should think it cruel and barbaric to kill whales but not sheep, cattle or poultry.

Tadokatsu Seguro, a television commentator, said after the ban was announced that the problem is "a cultural conflict that's difficult to solve."

The taste for whale goes back to A.D. 702, when Buddhism was introduced from China. Meat-eating was stopped and whale, which was defined as a fish, became a rare delicacy.

It seems hardly surprising that the Japanese, deprived of other meat and living on islands in search of whales, developed a taste for it.

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## China Fuels Dispute Over Japan History

Tokyo Will Explain Textbook Revisions

**PEKING** — China, stepping up its attack on Japan for rewriting the history of its occupation of China, published photographs Thursday showing executions of Chinese civilians by Japanese forces in 1937.

The four photographs published in the official Worker's Daily were taken at the time of the massacre of thousands of civilians in Nanjing, then the Chinese capital.

One showed a Japanese soldier executing a Chinese civilian with a sword. Others showed a "Japanese bandit" holding a severed head and troops using Chinese civilians as targets for bayonet practice.

The revisions to the high school textbooks change Japan's "aggression" against China into its "advance" into China and eliminate previous references to the "rape of Nanjing."

Other changes have upset North and South Korea, ruled by Japan from 1910 to 1945. In Seoul, riot police stopped demonstrators from the Association of Korean Aged People from moving up a street leading to the Japanese Embassy on Thursday.

Japan told China Wednesday that it was deeply sorry for the damage caused during the occupation from 1937 to 1945, but did not offer to change its policy.

The Education Ministry in Tokyo said Thursday that Isao Suzuki, director-general of its primary and high school affairs bureau, would invite a senior Chinese diplomat to a meeting Thursday to explain the system of screening textbooks.

The ministry also said that China has invited the Japanese education minister, Heiji Ogawa, to Peking in September to visit educational facilities.

The Foreign Ministry said, meanwhile, that the revisions would be explained to South Korea through its embassy in Tokyo.

The Workers' Daily said, "In order not to repeat this historical tragedy, China and Japan both have the responsibility to tell later generations the true story of Japan's aggression against China."

"Only thus can the Chinese and Japanese peoples continue to be friendly for generation after generation."

Japanese officials have said that Premier Zenko Suzuki is worried that the controversy could mar his visit to Peking in September on the 10th anniversary of the establishment of diplomatic relations between the two countries.

He refused to discuss the matter.

## Grès, Mori Gowns Wrap Up Paris Showings

By Hebe Dorsey

**PARIS** — The Paris couture week ended Thursday with the soothing, uneventful collections of Madame Grès and Hanae Mori, two designers who have their own style and are not reaching for the moon. Both are strong on evening wear, but while Mori is known for the poetic quality of her prints, Grès is famous for her draped jersey, Greek goddess-like dresses.

Madame Grès is a designer's designer, who is getting on in years but who still hovers around until the last minute, her scissors dangling from her neck. Here is one of those collections that no pro worth his or her fashion salt would miss, despite the fact that she comes last and that her shows move at a snail's pace.

That is why, in her small, white, intimate salon, where nothing has changed in the past 30 years and her customers Thursday included the diminutive but strong-minded Countess Christiana Brandolini. Sitting on the side was also Grès's granddaughter, 15-year-old Anne, who is vacationing with her but is more interested in the theater than in fashion. She said she really does not understand where her grandmother finds her inspiration. "She never gets out of the house," she said.

Love of Fabrics

Actually, Grès does not need to go anywhere. Her talent springs from a long and intimate love affair with fabrics, all fab-

rics. She once said that she lets fabrics take over a design. So, the way bulky mohair floats about the shoulders has something unreal, as if it was just thrown on the body. But when it comes to fluid jerseys, Grès's implacable hand takes over and drapes to death, in a totally perfect array of neatly folded pleats. As for taffeta, she pushes and fluffs it up, so that it looks like a beautiful soufflé.

The most refreshing part of this collection is that one is not looking for trends but for a look, which can be surprisingly young and sexy at times. While some of Grès's dresses float over the body, quite a few fit like second skins and are a real challenge, even for the super-thin.

The collection opened with a green jersey tunic over a white, urticaria knit dress. Besides perfect coats, especially the gray flannel ones, Grès showed quite a few ponchos, including some light and flimsy rainproof ones, with wings that folded in the back. She also had short draped jersey dresses, with contrasting shawls across the shoulders, a favorite style with Princess Grace of Monaco.

There is always a note of mystery in Grès and this time, it was most noticeable in the long black moiré cape, hiding a sly black sequined sheath. But as usual, the four dresses at the end, with their draped bodies, were the ones everybody was waiting for. Grès once said she was tired of them but she did manage to update them with a loose, half cape, floating off one side.

Mori, whose widespread operation includes New York and Pe-

king, is probably the most international of Paris couture designers. She does, however, love her Paris base because it gives her credibility and international prestige. Actually, she is on her way to becoming a fashion superpower, being as she is, at the start of new Japanese fashion wave.

Her "The Best" fashion

awards were started four years ago. They are held at the end of November in her Space building on the Ginza and have helped attract the best of international design to Tokyo. Her international mix has included designers from Milan, Paris, London and New York. After Karl Lagerfeld, Valentino, Gianni Versace, Giorgio Armani, Calvin Klein, Perry Ellis and Bill Blass, she is having this year both Valentino from Rome and Norma Kamali from New York.

Flannel Coats

Mori's polite clothes included good gray flannel coats, and black and white suits, with pleats down the front and a slightly clerical, white collar edging. But basically, she has understood that the way to make it over here is to be Parisian while remaining faithful to her roots. That is why her collection was perfectly balanced — on one side, Parisian clothes, as in her opening (white jacket over black and white, giraffe-stenciled skirt); on the other, the pastel chiffons, entirely re-embroidered, and very Japanese in feeling.

When all is said and done, the most remarkable thing about this couture week is that it still has such an impact both with French and American socialites, who forsake yachts and chateaus to make the scene. Baroness di Portanova flew in for a day from the south of France with a load of friends aboard her private jet, just to see the Saint Laurent and Givenchy collections.

The dollar's strength, too, doubt, helped bring the Ameri-

cans back to Paris. Among the American customers, quite a few such as Anne Johnson, Lynn Wyatt, Mildred Hilson and Pat Lawford Kennedy, have known and loved French couture for years and help maintain its cachet across the ocean. The French, who are finally unwinding, showed their gratitude by hunching and winning them all week, with the best party held by Jacques and Louise Rouet, of Dior's.

Madame Grès: Frounce.

Hanae Mori: Embroidery.

Paris: The Best.

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## Goldwater Says U.S. Offered China Limit on Taiwan Arms

By Hedrick Smith

**WASHINGTON** — The Reagan administration, still negotiating with China on a joint statement covering U.S. arms sales to Taiwan, has offered to agree that Taiwan not receive any higher quality or greater quantity of U.S. arms than it is now receiving, according to Sen. Barry M. Goldwater.

But U.S. officials said Wednesday that China has not yet given a final reply to the U.S. offer relayed to Peking several days ago through U.S. Ambassador Arthur W. Hummel Jr.

John H. Holdridge, assistant secretary of state for East Asian and Pacific affairs, briefed the Senate Foreign Relations Committee Tuesday on U.S. exchanges with Peking.

He refused to discuss the matter.

Sen. Goldwater, Republican of Arizona, said the U.S. side had offered a pledge "not to sell Taiwan any higher quality or quality of arms than we are doing now."

Sen. Goldwater suggested that if Peking accepted the U.S. approach, it would lead to a gradual phasing out of U.S. arms supplies to Taiwan because of the inflationary rise in the price of weapons systems, especially jets and tanks and electronic equipment.

The administration's suggestion displeases both pro-Taiwan conservatives like Sen. Goldwater, who want an indefinite U.S. commitment to arm Taiwan, and the Chinese leadership, which has threatened to curtail relations with Washington unless the United States agrees to halt all arms supplies to Taiwan at some fixed date.

Administration officials, refusing to comment on the details of

delicate negotiations with Peking, acknowledge that the Chinese government has protested lately over U.S. plans to proceed with co-production of F-5E fighters with Taiwan and the refusal to agree to an ultimate arms cutoff.

The U.S. proposal did not specifically mention the F-5E fighters, the most controversial weapons system, officials said, but that was implicit because the United States has provided the F-5E in the past and President Reagan decided last Jan. 11 to let Taiwan buy additional F-5Es.

Sen. Goldwater said the language of the U.S. approach "is the work of State Department officials who want to blow Taiwan out of the water."

"If I were Peking, I'd grab this because there'll come a time when we can't sell more arms to Taiwan," he said.

Sen. Goldwater, who has been pressing the administration to move ahead on a new arms agreement with Taiwan, said that Mr. Reagan had told him on July 15 that he would make a decision this week to send Congress formal notification of approval for Taiwan to produce more F-5Es under license from the Northrop Corp.

But the White House has evidently held up that action, waiting for some response from Peking and anxious to minimize the damage to Chinese-American relations of a new announcement of U.S. jet fighters for Taiwan.

Peking contends that such a step would infringe on Chinese sovereignty and run contrary to U.S. diplomatic recognition of China. But the administration has asserted a continuing commitment to contribute to Taiwan's arsenal.

Under the Carter administra-

tion, U.S. sales of arms and military services to Taiwan were running at more than \$300 million in fiscal 1979 and 1980, but dropped dramatically after that along with the step-up in U.S. diplomatic relations with Peking.

## Russia Says It Has No Caribbean Base

United Press International

**MOSCOW** — The Soviet Union says it does not export revolution, has no bases in the Caribbean and will not recognize any claim by the United States to the region as a sphere of influence.

"Extending the network of the Pentagon's military bases, the U.S. spreads inventions about mythical Soviet bases in Cuba, Nicaragua and Grenada," a Novosti Press Agency analysis said Thursday.

The comment on the Caribbean followed the signing Wednesday in Moscow of economic agreements between the Soviet Union and

Grenada, the former British colony in the West Indies.

Prime Minister Maurice Bishop of Grenada said his country seeks to develop "the closest possible links and relations with the Socialist world community and particularly with the Soviet Union."

Novosti said the Reagan administration had offered Grenada financial aid if it would break relations with Cuba and had threatened it with force if it would not.

"Times have passed when big powers dictated to small countries what policies they must conduct and with which states they can maintain friendly relations," Novosti said.

## CALOUSTE GULBENKIAN FOUNDATION LISBON

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Telephone: Lisbon 735131.  
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## SALE OF URBAN REAL ESTATE

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announced in the press last May, the Board of the Calouste Gulbenkian Foundation have decided to postpone the closing date for the submission of offers from the 30th July, 1982 to 4:00 p.m. on the 30th September, 1982.

As previously announced, offers to purchase, together with any alternatives

which interested parties may consider appropriate, should be sent to the headquarters of the Calouste Gulbenkian Foundation at the address shown above and marked "Servico de Presidencia".

The Calouste Gulbenkian Foundation reserves the right having regard to its own interests not to accept the highest or any offer.

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Tables include the nationwide prices up to the closing on Wall Street.

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(Continued on Page 10)

## U.S., 2 Brokers To Lower Costs Of Home Loans

**NEW YORK** — A Federal agency and two leading brokerage houses have announced a program aimed at making \$500 million available for home loans below current rates.

The plan, announced Wednesday by Federal Home Loan Mortgage Corp., Merrill Lynch & Co. and Salomon Brothers, would grant mortgages with shorter term. Monthly payments would increase by one percent each year, with the extra payment applied toward reducing the principal.

The program hinges on a little-used type of home loan called the growing equity mortgage, or GEM. A GEM loan, which is expected to carry an interest rate at least one percentage point lower than traditional 30-year, fixed-rate mortgages, applies a growing portion of the homeowner's monthly payment to the principal amount of the loan each year.

With the housing industry in a slump as a result of high interest rates, there is a pressing need for a mortgage that offers the consumer a lower interest rate, which can be readily sold by original lenders such as savings and loan associations and mortgage bankers and satisfies the desire of investors for a medium-term security.

Lewis S. Razin, a managing director at Salomon Brothers, estimated that under current market conditions the GEM loans would carry an interest rate for the home buyer to 14½ percent.

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# Horowitz, the Last Virtuoso

by Harold C. Schonberg

NEW YORK — Our age distrusts flamboyant virtuosity or highly emotive self-expression of any kind. Yet no artist can have too much technique, and that goes for writers, painters, and musicians as well as musicians. Most of us were once asked if he was not ashamed of showing off his technique. "Is Rockefeller ashamed of his millions?" he answered.

For what good are the noblest ideas if the fingers or vocal cords cannot put them into effect? It is a truism that technique must be placed at the feet of the goddess of art, but without the technique to begin with, the artist cannot go very far. Yet in our present climate it seems to be regarded as next to original sin if a musician lets loose and shows that he is not ashamed of demonstrating these superior fingers, vocal cords or baton technique.

These thoughts are prompted by the recent Vladimir Horowitz concert in London. Those in the Festival Hall or the millions around the world who watched the telecast caught the 75-year-old pianist in a typical program, typically played: Scarlatti, Liszt, Chopin — all rolled from his fingers in the style so peculiarly his own, so different from the style of every other living pianist.

The concert made one realize again, as if by reinforcement were necessary, that Horowitz is unique. He is not only the last of his kind, in the history of piano playing he could very well be the only one of his kind, and when he goes, there will be nobody to succeed him. That may sound like a sweeping statement, but let's take a look at the facts and ask a few questions.

There will be nobody to succeed Vladimir Horowitz because where most pianists today play much the same repertoire much the same way, Horowitz is a complete individualist whose style is a throwback to the Anton Rubinstein tradition. Nobody, because no other living pianist's tone and sonority remotely resemble those of the volcanic Horowitz. Nobody, because today's training is alien to the kind of freedom and divine right of the performer that Horowitz represents. Nobody, because the famous Horowitz technique, even with a few slips these days, is in a class by itself. And, above all, nobody, because no pianist these days brings the sheer excitement to a recital that Horowitz does. As a result he is in a position to charge fabulous fees — the highest in musical history — and play relatively few concerts a year.

Some of the younger pianists today have techniques on a Horowitz order. Think of Alexis Weissenberg, Horacio Gutierrez, Maurizio Pollini, Vladimir Ashkenazy, Martha Argerich, to name but five. They are brilliant pianists who have made fine careers. But none of them brings to their playing the quality of freedom, excitement, daring, abandon and color of Horowitz at his best. Not with all of their gifts, do they have the ultimate technique of Horowitz in his great days.

There are those who regard Horowitz primarily as a technician, a circus performer interested only in beating music to make an audience gasp. That is not true, but Horowitz in recent years has suffered from a bad press from those who think virtuosity is a dirty word. It is, of course, what one does with the virtuosity that

counts, and through the years Horowitz for the most part has managed to use his virtuosity for legitimate musical purposes, reserving his stunts, such as "The Stars and Stripes Forever" and the "Carmen Fantasy," for encores (and he does not even play those any more). His playing has its share of neuroticism, he does not organize large-scale pieces in the kind of clear-cut manner that the severe school of critics demands (to them, pianists like Alfred Brendel are the ideal), and he can pull phrases into peculiar shapes.

But this is an old story, one that has constantly been with us. In the last century, for instance, those who upheld Clara Schumann as the ideal could not stand the playing of Franz Liszt. And it worked the opposite way, too. "If you want to hear how Schumann should not be played," Liszt once said, "listen to Clara." The subjectivists and objectivists, yin and yang, are always with us.

It is true that a case can be made that Horowitz today is a much more mannered artist than he was before the war. His style has changed through the years. Today he is very conscious of being Vladimir Horowitz, the sole survivor of an old school. But when he broke on the scene in the 1920s he was only a major talent among a group that included such giants as Sergei Rachmaninoff, Josef Lhévyne, Josef Hofmann, Ignaz Friedman, Moritz Rosenthal, Leopold Godowsky and Benno Moiseiwitsch.

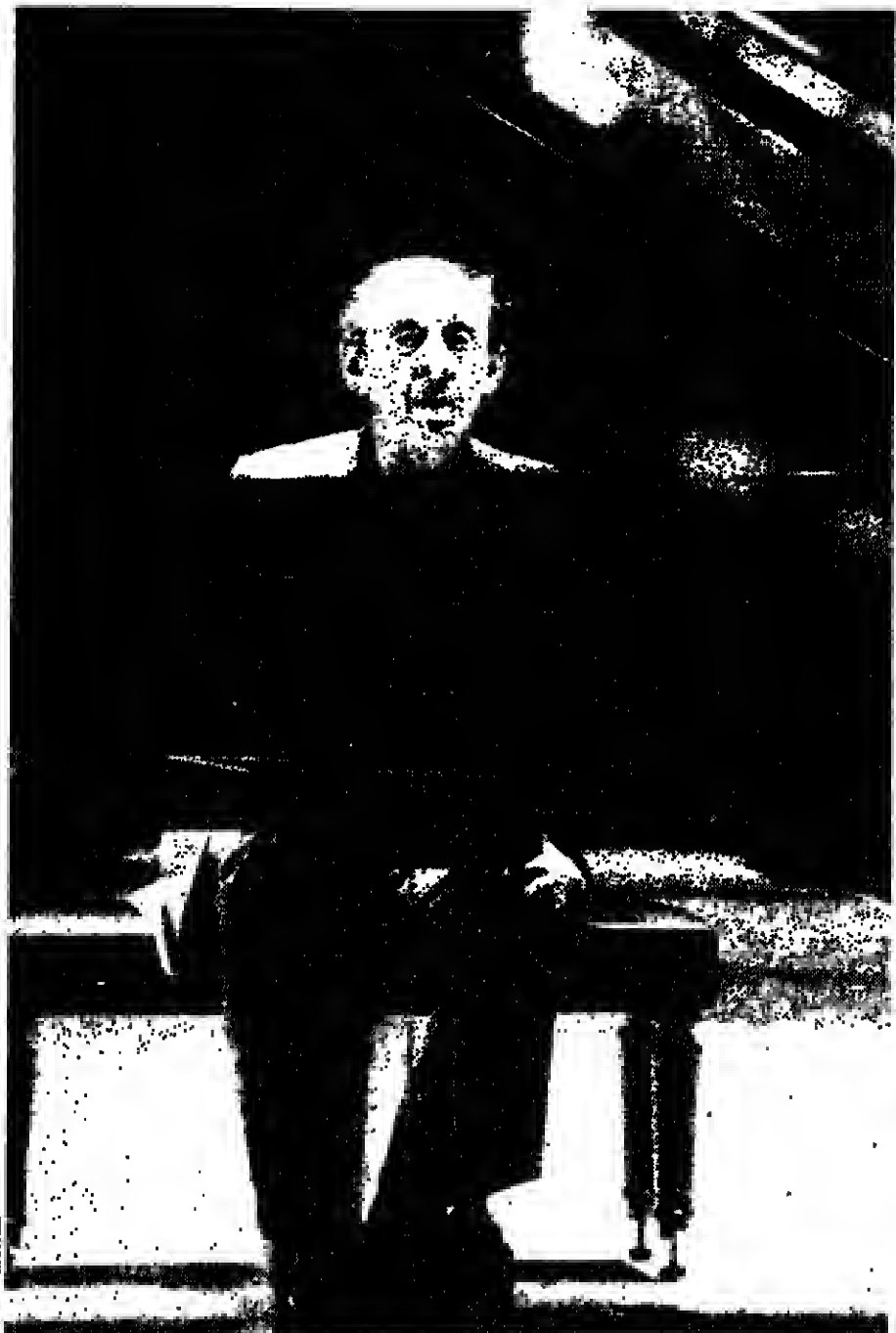
All of those were Slavic pianists, and Horowitz was of that tradition. He was instantly pegged as the brilliant newcomer he was — a pianist with steel fingers, an immense sonority, formidable rhythmic drive and a straightforward musical approach. A great pianist had appeared, and Hofmann once told this writer that of all the young pianists Vladimir Horowitz was the one who was going to carry on his and Rachmaninoff's tradition.

In a few years Horowitz became a superstar and has remained one ever since. Almost always, superstars are superstars because they give the public something that no other performer can. Horowitz was, and has remained, an electric pianist. It was not only his amazing technique that drew full houses all over the world, Horowitz in addition had that ingredient X, and anybody who can work out the formula and bottle it is going to be a very rich man. Whatever the mysterious ingredient is, it imbues an artist with a quality that comes right over the footlights and enters into the ears and actual breathing of every listener.

Horowitz transmits an extraordinary amount of personality, and without that no superstar career can be made, no matter how musical, how thoughtful, how sincere an artist. It is not even showmanship. Certainly Jascha Heifetz, who had ingredient X in quantum doses, did nothing but come out and play, never smiling, always reserved. But something colossal reached out and smothered an audience. Horowitz has much the same aura, and it excites the public in the direct ratio that it drives some critics crazy. To them, Horowitz is, in a word, a musician who represents vulgarity, who has prostituted his remarkable gifts.

In his early days Horowitz had a very direct approach to music, and that may come as a surprise to those who have taken note of his current mannerisms.

A comparison of his three recordings of the Rachmaninoff Piano Concerto No. 3 is instructive. His version with Alfred Cortot made in the late 1920s is stunning. It has very little



Vladimir Horowitz rehearsing in London.

mannerism, the lines are sculpted, all technical problems are gorgeously solved, the playing is big without the least hint of overstatement. It is an approach, favored by most young pianists today, except that none of them has the authority and sheer command that Horowitz then had.

In his 1950s recording with Fritz Reiner, hints of today's Horowitz appear. Some lines are dangled over, there is much more rubato and a different kind of color. Then, a few years ago, Horowitz recorded the Rachmaninoff with Zubin Mehta, and this is a curious, self-indulgent interpretation with distended lines,

heavy "expression" and a flaming example of the cult of personality. It packs a tremendous wallop, but the exaggerations can make one uncomfortable.

Current exaggerations and all, Horowitz remains a legend to pianists. Where he goes, they follow. When he revived the Schumann "Kreisleriana" it was taken up by young pianists everywhere. Several years ago he programmed Schumann's seldom-played "Humoreske," and suddenly that piece is in fashion. Romanticism is back again; even the

Continued on page 10W

# On a Kung Fu Kick, Or Making It Big In 'Chop Sockey'

by Debra Weiner

HONG KONG — One is fat, the other is thin. The slight one calls himself Mimmo Gasbarri and has, according to hefty Randy, the finest set of legs this side of the international date line. On the other hand, Randy Channell — ex-bartender, bouncer, fight promoter, bodyguard — fills the "tough man" slot.

Together they make a team. When a Westerner is needed for one of the many dozens of martial arts movies made in Hong Kong each year, Mimmo and Randy are the first to show up. As Randy likes to boast, they've got the "chop sockey" market sewn up.

"After all," Randy says with a snarl, "they can't hide the fact there are white people in Hong Kong. They gotta use a few Westerners." As lawyers, doctors, CIA agents, visiting dignitaries, police inspectors are very big. Or as your everyday thug. "But over as a good guy. They want to see us get beaten up. And then we're good for business. Right, Mimmo?"

Right, Mimmo signals, nodding his head. "They put our names on the posters and it helps international sales. Why, last time I was in New York, I just missed myself on 42d Street." Randy's thick lips curl into a smile. "Personally, I like to think of ourselves as stars."

Mimmo is 24. Randy keeps his age secret. Loose lips sink ships. "And anyway, what's the relevance? If I tell you I'm 25 and there's a role for a 40 year old, then I'm out of luck. Theo there's the element of respect. If you're older, you get more."

It was Saturday night at the Furama Intercontinental. The young fighting duo were planted at the Lau Ling Bar. Not a particularly pretty spot, but like most Hong Kong hotel lobbies, steaming with action. They didn't know anyone, and dressed as they were in black cotton shirts, they weren't the sort strangers would think to cozy up to.

They didn't seem to mind. It had been a hard day. Eight hours in the sun in the New Territories, and then they didn't even about the scene. Whether they're working top of the line, for Shaw Brothers or Golden Harvest, or for the many other movie companies that have cashed in on the decade-long kung fu kick, it's all the same. "Hurry up and wait, hurry up and wait. That's all you ever hear. And the pictures," adds Randy, raising his eyebrows and rolling his eyeballs. "There's no script. No continuity. Everything is exaggerated. You fall into a pond and come out dry. You get slapped in the face and up pop three purple fingers. You think that happens in real life? Or that a guy can stick his hand into somebody's body and pull out intestines? And the way blood squirts? Hmph."

Randy grabs a fistful of nuts, then chases them with a slug of Perrier. "It comes squirting out the mouth like ketchup. No, I don't like living here. And be," adds Randy, jutting his jaw in Mimmo's direction, "he doesn't like

Hong Kong either, though I guess for a while, this is the place we gotta be."

It all began for Randy in Hong Kong, more than five years ago. He was living a happy life in Edmonton, Ontario, when a Chinese friend insisted that if he was really serious about martial arts, he would have to travel to the kung fu capital, Hong Kong.

Randy packed his bag. Lady Luck trailed him. Who should his kung fu instructor happen to be but an action choreographer, who cast him as a thug in the production "The Almighty Extra."

Still, it wasn't easy. Several times, he headed back home; finally, in 1980, he made the break. "There wasn't enough work in North America for an action actor. Chuck Norris makes the bucks, but he's the only one, count him, one." Yes, Randy knew where he had to be. He was looking for a ladder to climb, and Hong Kong was huzzing with construction.

The story of silent Mimmo is nothing extraordinary — nice and orderly. Start out with a short, slender boy of Italian blood, living in Toronto in 1979, who has a stylish set of appendages and knows how to move them. He likes movies, especially the Chinese action-packed kind. Then one day it hits him, and hard, that the foreigners playing in them are no good. So he highlights it to the Crown Colony, and in no time starts baring a bit of leg — in 12 television series and 10 movies so far.

"We're probably the only two Westerners who make a living acting in Hong Kong. Mimmo here," explains Randy, this time thrusting an elbow in his friend's way, "he can play the psychotic thug. While myself, well, they were looking for a big guy and there weren't many around."

In the beginning Randy earned \$20 for a 14-hour workday. Now with 18 television shows, 3 television movies and 18 feature films under his belt — including one for M.G.M. in which his name appears in the credits — he says he makes at least \$100 a day. True, he still has to model occasionally — last Christmas he played Santa Claus on a television spot — to make ends meet. But the truth, he insists, is that he's on his way up. "I make my demands," he says, flexing a bicep. A black tattooed snake weaves up the muscle. "I use the movies for my own purposes now."

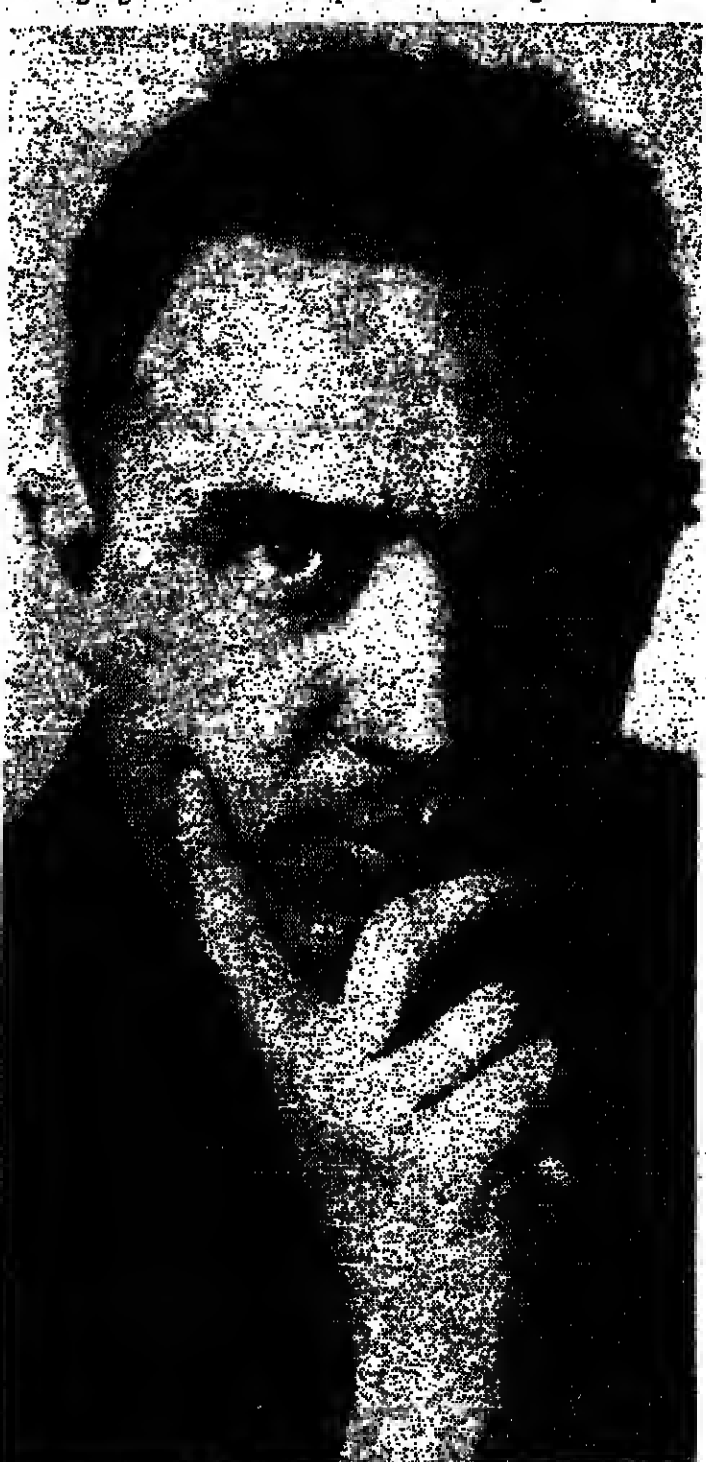
"Of course, we'd still both like to get out of here. And we're both trying, though unfortunately it seems like our futures lie in different directions. Mimmo here taught himself Mandarin. He might go to Taiwan — they make more kung fu pictures there than here even — and give them the idea of using Westerners. But me, well personally, I want to leave Asia far behind. Italy is a possibility. There's making spaghetti kung fu pictures there. I could act in them for a while, and then — what do you say Mimmo? — I see myself someday becoming a director of exploitation action movies. Huh Mimmo, what do you think? Doesn't sound too bad."

This time Mimmo smiles as he silently bobs his head.

# Montparnasse Memories: The End of McAlmon

by Waverley Root

PARIS — Robert McAlmon was the best subscription agent for James Joyce's "Ulysses" when Sylvia Beach was preparing to publish it. He would carry a sheet of order forms in his pocket during his night-long vigils at the cafés of Montparnasse, and before going home to bed would push a handful of signed subscription



William Carlos Williams.

blanks under the door of Shakespeare and Company with a note informing Sylvia Beach that he was handing over a "hasty bunch" of subscriptions to the coming work. McAlmon's habitual use of this phrase credited Joyce on one occasion to display more diplomacy than is usually credited to him.

McAlmon had had a book of poems, "Explorations," published by the Egoist Press, which could have been taken as evidence that his talents had been recognized by somebody other than his intimates. If you didn't happen to know that it was McAlmon himself who had paid to have the book printed, this whetted his appetite to see his words in print again, and he read to Joyce, then receiving McAlmon's \$150 monthly subsidy, a number of his short stories which he thought might make a book.

What Joyce really thought of them was his secret, but he extricated himself adroitly from the necessity of having to give an opinion by suggesting to McAlmon that he bring them out under the title of "A Hasty Bunch." This picking up of McAlmon's own phrase may have been a trifle tongue-in-cheek, for the stories did appear to have been scrawled hastily on the spur of the moment and left half-finished; McAlmon disliked the drudgery of correcting, revising, rewriting or reading proofs.

It may have been a diversionary move also when Joyce continued with the suggestion that McAlmon bring out the book himself. He may have thought that if McAlmon didn't, nobody else would. McAlmon did publish it himself and received at least one good review, from no less a person than Ezra Pound and in no less a publication than The Dial. Pound was, like Kay Boyle, an ardent advocate, always ready to take up the cudgels in defense of his protégés, of whom he had many, even when the defense seemed likely to be difficult. He had already installed McAlmon in his affections, and he was not going to forsake him. It may have been, however, that his review was a little tongue-in-cheek too, for instance when he said:

"McAlmon has written in the American spoken language. He, or his printer, even goes to the length of using 'had went,' not in the person of a character but in that of the author; this is... a daring effort to maintain the atmosphere."

It was more probably the result of McAlmon's slipshod writing. His own comment was: "I don't want to write good English." In this I thought he succeeded.

After publishing this book, it occurred to McAlmon to set up a publishing house of his own, for which he resurrected the name of the magazine he had edited with William Carlos Williams, calling it Contact Editions. It seemed to be dedicated chiefly to publishing the work of McAlmon himself and of his closest friends. His own "Companion Volume" (companion to "A Hasty Bunch") and "Post-Adolescence" were among the early titles, followed later by his novel, "Village," which was better received by the critics than most of his works (and when he tired of publishing, in 1929, the last Contact book was also his own, a 43-page poem called "North America, Continent of Conjecture"). He brought out Bryher's "Two Selves" and H.D.'s "Palimpsest" before his marriage broke up. His friends William Carlos Williams and Emanuel Carnevali were also represented among his publications, the first by "Spring and All," the second by "A Hasty Bunch."

In 1923 McAlmon combined forces with William Bird, who had his own Three Mountains Press, and in three years the two together brought out 30 titles. It was sometimes difficult to make out which press was publishing what.

McAlmon's "Distinguished Air" should normally, it seemed, have been brought out by his own Contact Editions, but I believe it was actually issued under the Three Mountains imprint — I don't know why. I don't suppose McAlmon would have been too abashed to publish it himself because of its subject, which was indicated, less than subtly, by its subtitle, "Grim Fairy Tales." It was the product of a visit McAlmon had made to Berlin, and that Berlin night life impressed him was not surprising. Berlin impressed me too, when I first went there a few years later, as the most vicious city I had yet seen. All the perversions were on tap, and it seemed to me that Paris, considered in America as the symbol, if not the capital, of sexual wickedness, was a clear spring of innocence in comparison with Berlin.

Some writers have called "Distinguished Air" McAlmon's best book, and have praised especially the second of the three stories it contained, "Miss Knight," a character study of a male homosexual. Joyce and

Pound both praised it, perhaps sincerely, though it is impossible to say, since neither could be considered an impartial observer.

Confusing in the opposite direction was the publication by Contact Editions of Ernest Hemingway's "Three Stories & Ten Poems," which a few months earlier Bird had thought he was going to print. In a way, McAlmon stole it from under his nose, but the incident caused no bad blood between the two. McAlmon thus reaped the honor of being the first to publish Hemingway. This was when McAlmon and Hemingway were getting along well together, but after the appearance of "The Sun Also Rises," McAlmon soured on Hemingway, apparently because he was envious of his success, and seized every opportunity to denigrate him.

Another person outside his own close circle whom McAlmon published was Gertrude Stein. He deserves no small credit for having undertaken the immense task of bringing out the nearly 1,000 pages of "The Making of Americans." In the process he discovered that Miss Stein was not easy to get along with. The book finally did appear, but by that time author and publisher were at loggerheads, largely on the seemingly trifling question of supplying 10 free copies to Miss Stein. Her disapproval of McAlmon after this episode was expressed by her verdict that McAlmon's writing was "rather dull stuff."

This had been my conclusion, but I arrived at it without having to go through a personal squabble, by the simple method of reading what McAlmon wrote. Despite Miss Boyle's vehemence in preferring McAlmon to Hemingway, I think that I may still stand on my opinion of half a century ago without being obliged to call up any great reserve of courage. If McAlmon was a prophet, he was certainly a prophet without honor in his own country.

Nothing he wrote abroad, even the two books best received there, "Village" and "Distinguished Air," were thought worth printing in the United States, even after that country had shaken free, more or less, from its prudishness and many other books which had been banned in America but published in Paris were granted the accolade of American editions. The only two McAlmon works published in America got into print as the result of log-rolling by personal friends. It was William Carlos Williams who persuaded New Directions to print a book of McAlmon's poems, "Not Alone Lost," in 1937, while Kay Boyle, undiscourageably loyal, put her own by-now high reputation on the line in an attempt to breathe new life into "Being Geniuses Together," a somewhat spiteful autobiographical book which had dismayed McAlmon's friends when he insisted on bringing it out in London in 1936; James Joyce, no longer on the payroll, called it "the office boy's revenge."

Miss Boyle fitted autobiographical chapters of her own between those McAlmon had written, and the book was published in this form in 1968, enhancing nobody's reputation. McAlmon's undistinguished prose had succeeded in the difficult feat of making even Miss Boyle write badly, apparently by osmosis. There was no evidence in the resuscitated book that either of its authors had ever been geniuses, but Miss Boyle had other strings to her bow.

By the outbreak of the war, when I last saw him, anyone could have recognized that McAlmon was in bad health. He was already far gone with tuberculosis, and when France was invaded, he crossed the country into Spain, crossed Spain into Portugal, and crossed Portugal to Lisbon, whence he sailed to the United States. This was the route I took myself, leaving in 1940 by the last boat sent to Portugal by the United States to pick up American refugees from the war.

It occurs to me now that it may have been on this ship, and not, as memory says, in the Hotel Montana in Paris that I saw Bob McAlmon for the last time. If so, I must have been so unobservant, or he had become so passive, that I have no recollection of his presence there. Yet Bill Bird was on the same boat, and it would have been extremely likely for McAlmon to have left France with Bird, who remained his steadfast champion for life, maintaining to the end that McAlmon had been the greatest writer of his times, somehow betrayed and defrauded of his due by an unexplained conspiracy against him.

Though he had come home to die, McAlmon held out for another 16 years, until 1956, when he was 59. So far as I know, he stopped writing after he returned to the United States, though he had been in Europe what might be called a compulsive writer. As long as his health permitted he worked for what I find described as "the family business" in El Paso, Texas.

I do not know what the family business was, but from time to time after the war I had to endure the sneering chuckle of Arthur Moss, a

malicious little man, as malicious as McAlmon ever was at his worst, who repeated over and over to anyone who would listen: "You know what Bob McAlmon is doing now? You know what the Great White Hope of American literature is doing? He's a *truss* salesman." The thought seemed to give Arthur great pleasure.

(This is the last of three articles.)



Ezra Pound.







TRAVEL

# Visiting Marx's Vanished London

by Joseph Fitchett

LONDON — Karl Marx, it is sometimes said, got his philosophy in Germany, his politics in France and his economics in England. Marx lived most of his adult life in Victorian London, then the industrial capital of the world, and there produced most of the writing that inspired communism.

To visit the places associated with Marx's London — he died there a century ago next year — is a day's outing. The hunt for his past around the city is enriched by "Marx in London," a illustrated guide by the scholar Asa Briggs. The guide, on sale for £2.95 (about \$5.15), has just been published by the British Broadcasting Corporation to complement a television series.

London in the mid-19th century was the world's biggest metropolis, a city of Dickensian contrasts in wealth and a refuge for political exiles. Paris also beckoned Marx, who had a brief and unsuccessful experience there with communal living while he wrote for German newspapers in the early 1840s. But if Paris had been considered the natural center of European revolution since 1789, London was sanctuary.

Marx arrived in England in August, 1849, a year after he wrote "The Communist Manifesto" for a London-based secret society of German revolutionaries. The pamphlet appeared on the eve of the 1848 revolutions in Italy, France and Austria, and Marx's leftist activities as a newspaper editor resulted in his banishment from both his native Prussia and from France, which he left forever at age 41.

Briggs' guidebook, in the conversational tone of an informative companion, details the years afterward. The Marxes gravitated into cheaper homes as their funds dwindled, settling in 1850 in a house in Dean Street in Soho, a cosmopolitan quarter then as now. Karl and Jenny Marx lived over a laundry; today the building houses an Italian restaurant. A circular blue plaque notes Marx's stay: No. 28 Dean Street is the only place where his 34 years in England are commemorated.

At this time Marx was writing a column on European events for Horace Greeley's New York Daily Tribune. His English was corrected by his kindred philosopher and patron, Friedrich Engels, who owned a textile factory in Manchester.

In the two-room Dean Street home, Marx and his wife lived with their five children and their faithful maid Lenchen, whose real name was Helene Delmuth. Marx fathered a son with Lenchen, his only known illegitimacy. Marx's wife knew about it, but the children thought the child was Engels' and learned the truth from Engels only on his death bed. Lenchen stayed with the family.

Briggs quotes a Prussian police agent's report about the Marxes' daily life in Dean Street: "As father and husband, Marx, in spite of his wild and restless character, is the gentlest and mildest of men.... When you enter Marx's room, smoke and tobacco fumes make your eyes water so much that for a moment you seem to be groping about in a cavern.... everything is dirty, and covered with dust, so that to sit down becomes a thoroughly dangerous business."

Meanwhile, at the British Museum, Marx was doing what he considered his essential work — the reading on which he based "Das Kapital." He could walk from Dean Street along Oxford Street to Bloomsbury, where the British Museum in 1857 opened the magnificent domed reading room that can be visited today. In Marx's day, each desk had a leather chair and two pens, one quill and one of steel. Some of the most striking passages of Marx's main theoretical work are descriptions of the misery of British working-class life taken from the parliamentary reports he consulted at seat number 07.

Life was equally impoverished at the Marxes' home in Dean Street, where the children learned to lie to creditors and Marx's wife, an aristocrat's daughter, suffered several breakdowns. When she inherited some money in 1856, the Marxes were able to move to a small house near Hampstead Heath at 9 Grafton Terrace, in Kentish Town, which they could afford to furnish decently.

The house remains much as it was when the Marxes first saw it — although No. 9 has now become No. 46. It is a narrow, three-story town house with a tiny back garden. The Marxes had two bedrooms — a luxury in a city where only a quarter of the houses had a constant water supply. A decade later, fresh requests enabled the Marxes to move a few blocks to 1 Midland Park Road, and then to 46 Midland Park Road, their last home. These dwellings (both of which have disappeared) were spacious enough for Marx's piles of newspapers and for a ball for 50 people that was part of the Marx parents' efforts to help their daughters marry well. (In fact, the two daughters who survived, Marx committed suicide because of their emotional love lives.)

Many of the Marxes' happiest hours were spent on nearby Hampstead Heath, where the family often spent Sundays, picnicking in fine weather and playing vigorous hide-and-seek to keep warm during rainy winter hikes. Marx liked stopping for a beer at Jack Straw's Castle, a pub that



Marx's bust in Highgate Cemetery.

stands today at the intersection of Roslyn Hill and Spaniard's Road near the Hampstead subway station.

Marx's revolutionary work in London was concentrated on his studies and his polemics with rival theorists on the continent. For years, he avoided any direct contact with British leftist politics. Gradually, however, he was drawn into the agitation surrounding the birth of British trade unions, Europe's first. Most of the early important rallies took place in Covent Garden, and the list of English speakers often included Dr. Karl Marx.

In 1864, Marx wrote the inaugural address for the International Working Men's Association, the short-lived First International. The speech — the most important radical document since "The Communist Manifesto" — was delivered at St. Martin's Hall near the Royal Opera in Covent Garden. The hall no longer stands: A publishing firm's offices occupy the site.

A Covent Garden printer published Marx's instant book on the Paris Commune in 1871. Entitled "The Civil War in France," the brilliantly journalistic essay sold well, bringing Marx much-needed income and equally enjoyable notoriety. (Marx, hitherto little known as a European political personality, described himself as suddenly becoming "the best calumniated and menaced man in London," adding that the experience "really does one good after a tedious 20 years' idyll in my den.")

The last 10 years of Marx's life were marred by poor health, partly the result of strain during his years of work in exile. After his wife's death, he declined rapidly and died on March 14, 1883.

Engels made the funeral arrangements at nearby Highgate Cemetery, which had opened a few years earlier as a public burial place and money-making rival to the cramped church graveyards in the city. The cemetery itself is a showcase of Victorian mortuary culture with its romantically landscaped gardens and elaborate memorials in eclectic styles.

Initially Marx was buried, with his wife, a grandson who died in infancy and his servant-mistress, Lenchen, under a flat gravestone. He gave only their names and dates of birth and death. The Marx grave was moved to its present site in 1954.

Although Marx had asked for a simple grave, the Communist Party of Britain commissioned a bronze head of Marx on a massive plinth of Cornish granite. It bears two inscriptions: "Workers of all lands unite" and "The philosophers have only interpreted the world in various ways. The point however is to change it." This monument to what Engels called "the greatest brain in the second half of our century" has withstood countless attempts to deface and destroy it.

# Or Stalin's Unchanged Gori

by Serge Schmemmann

GORI, U.S.S.R. — Elsewhere in the Soviet Union, the name of Joseph Stalin evokes ambivalent and troubled responses, whether revulsion over a time of terror or nostalgia for a more heroic past. But there are no such complexes here.

This Georgian town is where Stalin was born, and through all the de-Stalinization campaigns of the last quarter-century to expunge the dictator's memory, Gori has been left in peace to glorify the memory of a local son made good.

The openness with which this is done makes entering the otherwise nondescript town nestled around a medieval fortress seem like fading back into a time when the "cult of personality" was the law of the land.

The main street is Stalin Street, and the broad main square is dominated by a huge statue of the dictator — said to be the last one left in the Soviet Union. At the feet of the giant bronze, clusters of flowers lie wilting in the hot southern sun. At souvenir stands nearby, plywood portraits of Stalin working at his desk and benignly drawing on a bright red pipe sell briskly, even at 24 rubles, or \$34. The portraits are made at the Factory of Keyboard Musical Instruments in Tbilisi, capital of Soviet Georgia.

The two-room hovel where, on Dec. 21, 1879, Stalin was born to an impecunious cobbler and his devoutly religious wife now stands framed by a towering triumphal arch. Busts of tourists in the flower-print dresses and white caps of vacationing Russians move from the memorial to the Moorish-style palace housing the Stalin Museum.

Finished in 1957, after Nikita Khrushchev denounced Stalin at the 20th Party Congress, the palace was probably the last officially sanctioned echo of a personality cult that 25 years earlier made adulation of the "father of peoples" mandatory for every Soviet citizen who valued his skin.

It is more a shrine than a historical museum. A grand stairway leads to a heroic statue of Stalin and on to halls where muted light from stained glass windows plays on placards and photographs. Stalin's life is traced — with glaring omissions — from a seminary education, to revolutionary conspiracies, to the wartime hero who mobilized Russia against the Germans.

At the end, in a darkened room of somber velvet, a gentle, spiral ramp guides visitors past a death mask illuminated by a single beam of white light. The tourists pass in reverential silence.

That is all. No purges, no labor camps, no terror. Not even a mention of the "cult of personality" or the "mistakes" — the euphemisms used by his successors to refer to the purges, terror and self-glorification.

Instead, there are the carefully culled quotes reproduced in large panels, amounting to almost a defense of Stalin's reign. "As for me, I am simply a disciple of Lenin," says the legend over the statue at the entrance, as if denying accusations that Stalin abandoned the true Leninist path.

There are also laudatory quotations from Western leaders, reminders that the man now reviled in the West was once embraced as a comrade-

in-arms. One quotation is by Franklin D. Roosevelt: "This is a man who combines unflinching decisiveness with great kindness. I believe that he truly personifies the heart and soul of Russia."

Another is from Winston Churchill: "He received Russia with a wooden plow and left her equipped with atomic arms. No! Whatever they say of him, such men are not forgotten by history or by omissions."

Not, in any case, by Georgians. The memorials elsewhere in this ancient region, now a Soviet republic, may not be as public or as officially sanctioned as those in Gori. But after the wave of unrest that swept across Georgia when Khrushchev began his campaign to efface Stalin's memory, the Kremlin evidently concluded that it would not be prudent to risk any further provocation to Georgia's fierce national pride.

Stalin's name still lingers in street names, his visage still graces friezes and murals in public buildings, and his portrait hangs alongside those of Lenin and the present Soviet leader, Leonid Brezhnev, in many a Georgian shop.

On Lake Ritsa, stunningly situated among snow-capped peaks high in the western Caucasus, a boatman willingly takes visitors to the hushed-out frame of one of Stalin's favorite retreats. He recalls the invasion of security men during a visit by the dictator.

At the health spas of Tskhalubo in central Georgia, an old caretaker proudly leads visitors to the ornate bath where Stalin took the waters. "Never again will there be such a man," he declares with proud conviction. "He was brilliant, he was strong, he was very strict. After he died nobody would use that bath."

And along the Georgian Military Highway across the Caucasus, the words "Hail to the Great Stalin" in tall white letters stare down from a crumbled fortress.

Such open adulation for Stalin might initially jar a visitor, especially one accustomed to regarding even the odd portrait of Stalin displayed by a taxi driver or truck driver in Moscow as an expression of defiance and discontent. But there is also a curious sense of satisfaction in finding a semblance of acknowledgment that Stalin existed.

Wandering through the Stalin Museum, the visitor is struck by the thought that here alone in this vast land of 268 million people, a land that only 30 years earlier was huddled, beaten and ravaged by this man, is there any public memory of his life.

Elsewhere in the Soviet Union, the words "Stalin" and "Stalinism" have been virtually purged from public usage, and often replaced in private by code words like *khozayin*, or boss.

But there is also a younger generation of less-sophisticated Russians whose unarticulated dissatisfaction with a stagnant order, constant shortages and corruption finds expression in a nostalgia for a simpler past. For many of them, Stalin has become a symbol for law and order, evoking a time of iron discipline, military heroism and economic achievements.

"He was a real *khozayin*," says a truck driver, trying to explain why a picture of Stalin stared from his rear window. "He'd have cracked some heads for the mess we're in. He'd have put these lazy slobs to work. He wouldn't have let Reagan push us around."

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# And Now 'the Jet Lag Diet'

by Brenda H. Ingersoll

CHICAGO — For anyone who has ever stumbled away from an airplane with a fuzzy head, indigestion and a grumpy outlook after a trip across several time zones, a new diet promises relief.

It also offers hope for workers who develop insomnia after switching from a night shift one week to a morning shift the next.

Scientists say these disorienting experiences can be foiled with "the jet lag diet," a four-day program developed after years of research into circadian rhythms. The research was led by Dr. Charles Ehret, a scientist at the Department of Energy's Argonne National Laboratory near here.

Thirty years ago, while studying why protozoa — microscopic, single-celled animals — mate in daytime and not at night, Ehret found the reason was the circadian rhythm, or natural body cycle controlled by molecular "clocks" in each cell.

An outgrowth of that research and later studies was "the jet-lag diet," which acknowledges that traveling or changing work shifts leaves the body's inner time clock out of step with a person's new environment.

The trick is to reset the body's internal clock — by watching the amounts and types of food eaten — to adjust to the new time zone.

A "fast-fast-fast-fast" regimen over four days is used. Three days before the flight day, the traveler feasts on three full meals. Breakfast and lunch are high in protein — such as steak — to encourage alert activity. Dinner should be high in carbohydrates — such as pasta — to bring on sleep.

Two days before flight day, the traveler eats three small meals totaling no more than 700 calories and low in carbohydrates and calories.

The day preceding the flight is another fast day, while the day of travel is a fast day. Whether feasting or fasting, Ehret says, the traveler should drink coffee or any caffeinated beverage only in the afternoon.

On the fourth day, a traveler or shift worker

planning to speed up the body clock — by advancing time zones on an eastbound flight from New York to London, for example — would drink several cups of coffee in the evening and go to sleep only three or four hours before breakfast time at the destination.

Traveling in the opposite direction, from east to west, someone trying to slow down the body's clock should drink plenty of coffee only in the morning on both the day of the flight and the day before it.

At the traveler's new breakfast time, he should wake up and eat a high-protein breakfast without coffee. Then he or she should stay active — to keep the body working on the new time — have a high-protein lunch, eat a high-carbohydrate supper and go to bed early.

The next morning should produce little or no jet lag, Ehret reports. Anyone without time to follow the program for four days should "just fast on the day you leave.... It may cut the prevent jet lag entirely, but it will speed up the adjustment," he says.

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# In a Turkish Bath in (Where Else?) Istanbul

by Joseph B. Treaster

ISTANBUL — Clouds of mist hung in the marble chamber, shot through with shafts of sunlight. I was face down on a heated marble slab, slick with sweat, a tea-towel of a cloth around my middle, a man with the knotted arms and powerful back of a stevedore pounding my body.

I was in for the full treatment, a two-hour ritual that costs just under the equivalent of \$6 and transports the mind and body to a high state of calm. It also leaves you probably cleaner than you've ever been.

The bath, with great Corinthian columns and arched arches, went up more than 300 years ago at the order of one of the Ottoman Empire sultans and was eventually turned over to "hot" politics. It is called the Hagia Sophia Bath for the district in Istanbul in which it is situated, a district crowded with newspapers, offices, not far from the Covered Bazaar, the Topkapi Museum and the Blue Mosque.

There are more than 120 public baths in Istanbul nowadays, but everyone agrees that the Hagia Sophia is the oldest and most beautiful. Women are as welcome as men in the Hagia Sophia and many of the other baths, but they either use a separate section, as at Hagia Sophia, or on designated days.

Over the years, the public bath has declined in popularity with Turks, but it is a much favored place of rejuvenation for travelers, and the delight of many foreign diplomats and businessmen. It is clean and safe, and one of the great bargains of the world.

The process begins in a side room where the steam is more concentrated. Men in jandals and wooden clogs sit on high marble platforms and a boy brings tea to help start the sweating that will open the pores.

Massages who knead your muscles, lather you with olive soap and scrub your skin, wait near the entrance. They work on commission and tips and they're eager to start.

One by one we make our way to the low marble platform in the center of the main chamber. A masseur named Ahmet, whose father was a masseur like his father before him, slides a cloth-covered rubber square of a pillow under my head as I stretch out. And he goes to work.

He begins lightly working the muscles with his fingers. Just about the time I start wondering what all the worry was about with these guys, Ahmet begins to bear down. Pretty soon he is strutting and crunching my back and legs. I'm fighting to hold back exclamations. He stops and looks at me quizzically. I want him to go on. I want the authentic experience.

"Very good," I say with my only two words of Turkish. "Very good." He grins and goes back to crunching. I am numb and on the edge of sleep when Ahmet slaps me on the back and points toward a low bench next to a standing, colonnaded sink. There are several of these stations on the perimeter of the main chamber.

I sit on the marble bench and Ahmet douses me with warm water from a silver pan. With a rough, fibrous mitt he scrapes my arms and legs, my back and chest, rolling up dead skin and dirt as he

moves. Then he mixes a lather in the silver pan and mops me with a tangle of hemp. He rinses me, shampoos my hair, rinses again and sends me out the double doors.

In the foyer, a stocky man in a yellow sweat shirt — who reminds me of a high school gym coach — wraps thick towels around my head and motions toward the courtyard at the front of the bath, which is ringed by small, dark wood enclosures that serve as dressing rooms. Each has a cot. A boy follows inside with fresh towels and more tea. There is taped music and an electric hair dryer. You can stay as long as you like, napping or reading.

In the old days, nearly everyone came to these baths because few

homes had bathrooms. Now, according to Paris Cagdas, the owner of Cagaloglu, the customers are mainly curious tourists, wealthy Turks and a few poor Turks.

"The poor come out of necessity," he says, "and the rich come for pleasure. The middle class have homes with baths now and they don't want to spend the money."

The poor wash themselves. Cagdas continues, and pay a little more than a dollar to use the facilities.

Cagdas says that only about 25 percent of the other baths in Istanbul are of the traditional style of Cagaloglu. The others, he says, are modern saunas, which carry a certain trendy cachet for some.

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	20	40	60	80	100	120	140	160	180	200
WendE	60	91.38	7	5%	5%	5%	5%	5%	5%	5%
WendE	40	91.38	7	5%	5%	5%	5%	5%	5%	5%
WendE	20	91.38	7	5%	5%	5%	5%	5%	5%	5%
WendE	0	91.38	7	5%	5%	5%	5%	5%	5%	5%
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WendE	60	91.38	7	5%	5%	5%	5%	5%	5%	5%
WendE	80	91.38	7	5%	5%	5%	5%	5%	5%	5%
WendE	100	91.38	7	5%	5%	5%	5%	5%	5%	5%
WendE	120	91.38	7	5%	5%	5%	5%	5%	5%	5%
WendE	140	91.38	7	5%	5%	5%	5%	5%	5%	5%
WendE	160	91.38	7	5%	5%	5%	5%	5%	5%	5%
WendE	180	91.38	7	5%	5%	5%	5%	5%	5%	5%
WendE	200	91.38	7	5%	5%	5%	5%	5%	5%	5%

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and profits, in millions, are in local currency unless otherwise indicated.

**Johnson & Johnson**  
2nd Class      1982  
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Net of Corp      1982

	1992	1991	1990
Profits	1,414	1,316	1,316
Per Share	4.38	4.12	4.12
Dividend	1.00	1.00	1.00
Yield	3.90	3.90	3.90
Revenue	2,295	2,295	2,295
Per Share	7.00	7.00	7.00
Paid Share	1.59	1.59	1.59

**Of company & Bell Canada.**

	1992	1991	1990
Profits	1,414	1,316	1,316
Per Share	4.38	4.12	4.12
Dividend	1.00	1.00	1.00
Yield	3.90	3.90	3.90
Revenue	2,295	2,295	2,295
Per Share	7.00	7.00	7.00
Paid Share	1.59	1.59	1.59

**Notations**

	1992	1991	1990
Profits	1,414	1,316	1,316
Per Share	4.38	4.12	4.12
Dividend	1.00	1.00	1.00
Yield	3.90	3.90	3.90
Revenue	2,295	2,295	2,295
Per Share	7.00	7.00	7.00
Paid Share	1.59	1.59	1.59

**Life & Cash**

	1992	1991	1990
Profits	1,414	1,316	1,316
Per Share	4.38	4.12	4.12
Dividend	1.00	1.00	1.00
Yield	3.90	3.90	3.90
Revenue	2,295	2,295	2,295
Per Share	7.00	7.00	7.00
Paid Share	1.59	1.59	1.59

**NL Industries**

	1992	1991	1990
Profits	1,414	1,316	1,316
Per Share	4.38	4.12	4.12
Dividend	1.00	1.00	1.00
Yield	3.90	3.90	3.90
Revenue	2,295	2,295	2,295
Per Share	7.00	7.00	7.00
Paid Share	1.59	1.59	1.59

[illegible]

200.0	200.0	Revenue	1,000
200.0	200.0	Profit	20.0
200.0	200.0	Per Share	8.00

1987 figures are estimates.

Tables include the nationwide prices up to the closing on Wall Street

1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	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**Hong Kong Mart**

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SECRET AGENCY DISPATCHED BY ST. WB L 937 9134 CR 937 9153	GENEVA V.I.P. Service Noon to midnight. Tel. 41 20 36.	E.E.C. CAPITALS Export Service. Germany 0778
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5719. **CLASSIFIEDS**

27	10	HouOTr	2.5%	27	27	27	12
22%	17%	HuBer	1.6	6.2	7	7	19
22%	17%	HuBer	1.6	5.2	7	24	19%
19%	7%	HuBn	.39	3.4	4	3	6%

11% 12% 1/2  
10% 12% 1/2  
9% 12% 1/2  
5% 6% 1/2

lunch, suits well, var-

jects have been planned:

International airport.

Profile  
Pay Share  
Full name  
International

200.0	200.0	Revenue	1,000
200.0	200.0	Profit	20.0
200.0	200.0	Per Share	8.00

1987 figures are estimates.

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**Yes**

Print answer 1


Yesterday's Jumbles: LOUS  
Answer: Might  
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Now arrange the circles to form the surprise answer suggested by the above can:

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(Answer)

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7-30

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SAN FRANCISCO — Thursday it was the men's basketball game that has consistently won championship for John Loecherer, president, said he had been

# INTERNATIONAL FUNDS

July 29 1982

The net asset value conditions stated are based on the Funds listed with the acceptance of some funds whose shares are offered on issue prices. The following numerical symbols indicate frequency of quotations supplied for the 101 (1) = irregularly, (2) = weekly or bi-monthly, (3) = monthly, (4) = quarterly, (5) = semi-annually, (6) = annually.

## BANK JULIUS BAER & Co Ltd

(a) Lombard	\$F 72.95
(b) Zurich	\$F 72.00
(c) Stockholm	\$F 87.00

## BANK VON ERNST & Cie AG BS

(a) CSP Fund	\$F 11.29
(b) Zurich	\$F 11.29
(c) Zurich	\$F 11.29

## BETHANNA, PO Box 37, St. Helier, Jersey

(a) Jersey Growth Fund	\$2.11C
(b) Jersey Gift Fund	\$2.05P

## CAPITALE INTERNATIONAL

(a) Capital Int'l	\$2.73
(b) Capital Int'l	\$2.73

## CREDIT SUISSE

(a) Action Suisse	\$F 22.00
(b) C. Suisse	\$F 22.00
(c) C. Suisse	\$F 22.00
(d) C. Suisse	\$F 22.00
(e) C. Suisse	\$F 22.00
(f) C. Suisse	\$F 22.00
(g) C. Suisse	\$F 22.00
(h) C. Suisse	\$F 22.00
(i) C. Suisse	\$F 22.00
(j) C. Suisse	\$F 22.00

## DIT INVESTMENT FFA

(a) DIT	\$F 17.62
(b) DIT	\$F 17.62

## FIDELITY, PO Box 60, Hamilton, Bermuda

(a) American Values Comm. Fund	\$1.18
(b) American Values Comm. Fund	\$1.18
(c) American Values Comm. Fund	\$1.18
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(f) G.T. Asia Fund	\$1.59
(g) G.T. Asia Fund	\$1.59
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(h) IIF	\$1.18
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(f) J.F. South East Asia	\$1.52
(g) J.F. South East Asia	\$1.52
(h) J.F. South East Asia	\$1.52
(i) J.F. South East Asia	\$1.52
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(d) RBC Int'l Growth	\$1.52
(e) RBC Int'l Growth	\$1.52
(f) RBC Int'l Growth	\$1.52
(g) RBC Int'l Growth	\$1.52
(h) RBC Int'l Growth	\$1.52
(i) RBC Int'l Growth	\$1.52
(j) RBC Int'l Growth	\$1.52

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(a) S.G. Genoa	\$F 1.57
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(f) Swiss Bank Corp	\$F 24.20
(g) Swiss Bank Corp	\$F 24.20
(h) Swiss Bank Corp	\$F 24.20

# JUMBLE. THAT SCRAMBLED WORD GAME

by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

IMPER

TOOBA

SAWELE

HEMMAY

HOW MANY SKUNKS  
DOES IT TAKE TO  
MAKE A BAD SMELL?

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here:

(Answers tomorrow)

Yesterday's Jumbles: LOUSE HITCH SLOGAN PLACID

Answer: Might be responsible for a holdup in the backyard—CLOTHESPINS

## DENNIS THE MENACE

"'CAUSE WE'RE USING A COMPLETELY  
NEW, FRESH LEMON TODAY."

**WOMEN'S DIARIES OF THE WESTWARD JOURNEY**

By **Lillian Schlissel**. 262 pp. \$16.95.  
**Shocken Books**, 200 Madison Ave., New York, N.Y. 10016.

Reviewed by **Enid Nemy**

THEY WERE women whose character recalls to mind two words that have fallen out of favor — pumpton and grit. Comfortably settled in the East and Middle West, many were actively unhappy when their husbands decided that the future lay in Oregon or California. "Oh, let us not go," was a common refrain as, with little enthusiasm, they packed their belongings, assembled the children and became part of the great westward migration that took place between 1840 and 1870.

There were some, particularly the single women, who were less hesitant about the prospect of the long overland journey, but married or single, few, if any, had any idea of the challenges, hardships and ordeals they were about to face. They met the challenges, surmounted the hardships, and most of them lived through the ordeals. Their saga of courage and fortitude is still singular in American history.

The story of the covered wagons wending their way West has been told before, both in broad terms and, more specifically, in terms of the women's participation. But it is doubtful if anything available in the past has been more accurate or revealing than this compilation of diaries. The excerpts — in a few cases the complete diary is reproduced — from the journals of more than 100 of these pioneer women, provide a stark day-by-day account of journeys that often took more than six months. The first-person sections, for obvious reasons, have the most immediate impact, but the threads of individual experience that have been woven into a tapestry of the times by the author's decision to pepper the chapters with narrative and interpretive paragraphs.

Although most of the women who were reluctant to make the journey managed to sublimate or bury their resentment, some of the diaries were kept, as the author notes, "with a bookkeeper's care for detail." A good deal of the detail concentrated on the number of graves passed each day — 8, 10, 15 and "7 new-made graves, one had four bodies in it." The distinction between old and new graves was portentous to the travelers because a new grave indicated just how close death might be.

"Today we have passed a great many new-made graves & we hear many cases of cholera," wrote Frances Sawyer. "We are becoming fearful of our own safety."

Although many of the women on the trail were pregnant and gave birth during the journey, the fears and hardships of pregnancy are almost ignored in the diaries. That such fears must have existed goes almost without saying. There are notations of babies buried along the way, and one pioneer daughter grew up with four stepsisters in succession, each one dying in childbirth.

"The women themselves were the major fabricators of the taboos of their society," says Dr. Schlissel, who is director of American Studies at Brooklyn College. "In their own diaries, they contrived to hide their fears and anxieties."

In almost every other area, the diaries were far more open. The women were often not only a record written for themselves but also a valuable source of information when they were sent back to friends and relatives contemplating the same journey.

**Matter-of-fact Prose**

Snakes, buffalo stampedes, swollen rivers, disease and Indian attacks as all recorded, the horrors in most cases hidden behind matter-of-fact prose. But Catherine Ham's diary bursts forth at one point with: "Surely life can be no more horrible for women than. The pelting sun's rays reflected from the parched ground seemed furnace heat by day and our camp fires, as well as those of the Indians, cast grotesque glares and terrifying shadows by night." Despite the daily struggles and, at times, the heart-wrenching accounts, the journals were by no means a litany of woe. There are intimate glimpses of family life and friendships growing.

These journeys are not the stuff of which movies and television series are made. There are unfeeling men and less than perfect women, and even the good guys didn't always win. "Women's Diaries of the Westward Journey" is not light summer reading, but it is important for anyone who wants a clearer understanding of the people and particularly the women, who shaped a good part of the nation.

Enid Nemy is on the staff of The New York Times.

**THE HIDDEN WEST**

By **Rob Schulteis**. 176 pp. \$11.50  
**Random House**, 201 East 50th St., New York, N.Y. 10022.

Reviewed by **James T. Yenckel**

BEYOND the 100th meridian, the dry line that slices southward through the western Dakotas and Nebraska, the abundant rainfalls of the East diminish and the landscape turns arid. The line marks the beginning of the American West, a vast and still relatively empty land of both awesome grandeur and utter desolation.

Tourists flock to mountain resorts and Jan national parks to view the scenic wonders. But once they have descended from the Colorado Rockies en route to Las Vegas or San Francisco, they roll up the car windows, flick on the air conditioner full blast and bemoan the bleak distances they must cross. And who can blame them?

"Out in the eerie dry lakes, nightmare mountains and channel rivers of central Utah, the Great Basin begins," writes Rob Schulteis. "Dust devils swirls across the salt flats; beyond lie the majestic peaks of the Beaver Mountains. It is one of the most dreadful landscapes on earth."

But it is these overlooked wastelands — the hidden West — that hold a fascination for Schulteis, a 38-year-old anthropologist and outdoors man. "Mystery country," he calls it. "Terra incognita, a land of lost rivers, dead seas, trackless deserts, mountains charged with voodoo, adobe Lhasas at the end of endless roads."

In the early years ago, just out of an eastern prep school, Schulteis hitchhiked to Denver to get his first view of the West. This short book is an impressionistic account of his adventures and encounters in the American outback in the years since, following, as he says, "a cold trail of rumour and campfire gossip."

It is a haunting, wonderfully evocative appreciation of nature's bleak and inhospitable regions that through Schulteis' eyes become beautiful, no less dangerous. He is a very fine writer, deftly weaving geology, history and philosophy into his vivid descriptions of this secret land. The landscapes may be desolate, but his imagery is very much alive. His prose is lean, strong, even athletic. Like a hiker setting a fast pace to cover a lot of territory, the book moves swiftly across the West's great distances.

Schulteis' experiences have given him an unusual insight into the lives of the Indians who once inhabited what he calls America's geographic purgatories. Arrogant historians considered the Great Basin "inhospitable" "low and beastly" because they dug for roots and grubs, and dubbed them "diggers." But Schulteis sees them as "almost supernatural survivors," able to conjure water "from a sea of distasteful stones" and living in harmony with nature in "subtle grace and sophistication."

Schulteis concludes with a warning to the cities of the West, like Los Angeles, that have arisen in the thirsty, fragile land. The best that great desert cities of history have left, he says, is a lovely set of ruins. A few years of light snowfalls in the mountains tames that water Los Angeles could make the city vulnerable.

"Hear the dry snicker of dust drifting over the elaborate canals, the doors of abandoned pumping stations," he writes. "I wouldn't be against it against the weight of history, the interminability of entropy and the eternal, inescapable desert."

On the West-bound traveler this summer, Schulteis provides an intriguing introduction to the region and to be found in the standard guides. He may even lure you into an impromptu exploration of your own. After all, as he points out, just a hundred yards off the interstate, nothing has changed in 10,000 years.

James T. Yenckel is on the staff of The Washington Post.

**BRIDGE**

By **Alan Truscott**

ON the diagrammed deal the one-spade opening bid was doubled, and North raised to two spades. After a double this raise tends to be somewhat weaker than it would be in normal circumstances, so most players would now pass with the South hand. South, however, bid a flamboyant four spades, and this could not be defeated.

The defense began with two rounds of diamonds and a diamond ruff. This did not hurt the declarer, for it consumed East's natural trump trick. East returned a heart, and South won with the ace, continuing with his winning diamond. This allowed a heart to be thrown from the dummy, and South played that suit. A ruff with dummy's last trump established the last heart in the closed hand, and the game was made.

In the postmortem, it was suggested that West could have beaten the contract by leading the heart queen. South would still have survived after winning the first trick. He would play

diamonds, with or without cashing two rounds of trumps. The same heart ruff in the dummy would develop, for East would not have an opportunity to lead a heart until it was too late for the defense.

**NORTH**  
♠ A K Q J 10  
♥ 8 6 5 3  
♦ Q 9 5  
♣ K 10 4 2

**WEST**  
♥ Q J 2  
♦ 7 3  
♠ A K 8 7  
♣ A J 6 5

**EAST**  
♠ Q J 8  
♥ 7 8 7 5  
♦ 6 2  
♣ Q 8 7 6 3

**SOUTH (D)**  
♠ A 10 7 5 3  
♥ A K 10 4  
♦ K J 10 4  
♣ —

Both sides were vulnerable. The bidding:

South West North East  
1♠ DM 2♠ Pass  
4♠ Pass Pass Pass

West led the diamond king.

[illegible]







